



## Section Description

The City of San Diego has one of the largest and most complex water storage, treatment, and delivery systems in the world. Since the San Diego region is considered semi-arid and lacks water as a natural resource, 85 to 90 percent of the water used by residents is imported. One of the Water Section's primary responsibilities is to secure imported water supplies for the residents of San Diego while continuing to manage demand through improved water conservation and research alternative water supplies such as recycled water, groundwater, desalinated sea water, etc. In addition to supplying water, the Section also performs a variety of functions and provides a number of services including water system repair and maintenance.

The Section's mission is:

*To provide safe, reliable water in an efficient, cost-effective, and environmentally-responsible manner*

## Goals and Objectives

The following goals and objectives represent the action plan for the Section.

### ***Goal 1: Safe, reliable water***

The Water Section is dedicated to its public health responsibilities of providing safe and reliable water. The Section strives to exceed all federal and State water quality standards, maintain and build needed infrastructure, and deliver water to customers efficiently and reliably. The Section will move toward accomplishing this goal by focusing on the following objectives.

- Maintain and improve infrastructure
- Exceed environmental and public health standards
- Ensure efficient treatment and delivery of water

### ***Goal 2: Fiscally-sound, operationally-efficient Water Section***

The Water Section utilizes strategic financial planning to ensure financial viability to operate and maintain the water system. The Section provides a fiscally-sound, efficient organization that is responsive and dependable. By doing so, the Water Section enhances its long-term viability, accountability, ethics, and transparency as cornerstones with which to build trust with customers. The Section will move toward accomplishing this goal by focusing on the following objectives.

- Build public trust through timely response and resolution to inquiries
- Provide cost-effective, customer-focused service

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- Utilize integrated information systems to support decision-making
- Control expenditures to minimize rate impacts

### **Goal 3: Sustainable growth and economic prosperity**

The Water Section recognizes that water supplies are critical to preserving the quality of life, economic prosperity, and growth of the City. The Water Section identifies, evaluates, and plans short- and long-term water demand and supply reliability options. The Section will move toward accomplishing this goal by focusing on the following objectives.

- Engage in regional initiatives with other water agencies which provide viable, environmentally-responsible and cost-effective alternative sources of water supply
- Provide high quality water demand and supply assessments in conjunction with local and regional development planning

### **Goal 4: Responsive, safe, and innovative workforce**

The Water Section is proud of its professional, technically-proficient, and diverse workforce. The Section is dedicated to ensuring its employees have the training and equipment necessary to provide safe, reliable water in a customer-friendly manner. The Section will continue to meet its goal of being a service-oriented and innovative utility through strategic workforce planning and by providing employees the knowledge, skills, and abilities necessary to perform their jobs safely. The Section will move toward accomplishing this goal by focusing on the following objectives.

- Ensure employees have the necessary training, knowledge, skills, and abilities
- Ensure employees have the necessary equipment to do their jobs
- Ensure that we have a safety-conscious workforce
- Recognize and when possible reward high performing employees
- Ensure adequate staffing to meet the operational needs of the Section

## Service Efforts and Accomplishments

**Water Conservation and Allocations.** In Fiscal Year 2009, the Mayor directed the Water Section to review the existing Emergency Water Regulations (Municipal Code Section 67.3800 – 67.3811), originally created in 1993, with the goal of improving the City’s response to water shortage conditions. This review resulted in a series of amendments to the existing Municipal Code which established year-round water waste prohibitions, provided clear water shortage “triggers” for moving from one drought response level to another, provided clear targets for achieving water use reductions, and provided an updated penalty and hardship variance process which governs the application and enforcement of the emergency water restrictions. The recommended amendments were approved by the City Council in November 2008 and became effective on January 12, 2009.

To plan for upcoming water shortages and develop an allocation methodology to achieve a given reduction target, the Water Section examined various end-uses of water by its customers, as well as the consumption pattern of these uses. The Section also examined past conservation efforts in order to identify where the most likely opportunity for future conservation would take place. Research was also performed regarding the implementation of allocation strategies by other agencies. Finally, the Section engaged the public, institutional customers, commercial customers, and various industry representatives in order to provide information on the allocation development process, propose alternative strategies, and identify key concerns. Recommendations for allocations, billing and rate structures, as well as possible penalties are being developed as a result of these efforts to represent the methodology most likely to achieve a reduction in overall use fairly and appropriately by all customers.

**Bid-to-Goal Programs.** The Water Operations Bid-to-Goal Program is currently in its fifth year of a five-year Bid-to-Goal contract. The Water Section was the first public water agency in the nation to combine a Bid-to-Goal management tool with the International Organization for Standardization (ISO) 14001 certification. The Customer Support Bid-to-Goal Program is currently in its third year of a five-year Bid-to-Goal contract.

**Awards and Grants.** The Water Operations Division was recognized in 2008 with an *Environmental Services Director’s Award* for its recycling program that dramatically reduces the amount of materials being sent to the Miramar Landfill. For Fiscal Year 2007, Water Operations reduced the amount of material it had been sending to the landfill by 68 percent or 4,441.31 tons, an estimated cost savings was \$268,100.

The City's Otay Water Treatment Plant received the *Director's Award of Recognition* in 2008 from the Partnership for Safe Water for providing drinking water quality that surpasses the required federal standards. Less than one percent of the nation's utilities receive this honor. The achievement makes the Otay Plant one of the highest-performing water treatment facilities in the country.

In June 2008, the City Council accepted an offer of funding from the First 5 Commission of San Diego County for the purpose of fluoridating the City's public water supply. The Commission's offer of up to \$3.9 million is for full funding of the capital costs and up to two years of operating and maintenance expenses necessary to implement fluoridation at each of the City's three water treatment plants. As a result of State law and the availability of funding, the Water Section is developing a plan to purchase equipment and supplies to meet a targeted deadline of fluoridating the public water supply by May 2010.

The San Diego Integrated Regional Water Management Program was awarded the maximum \$25 million of Proposition 50, Chapter 8 grant funds to help fund 19 critical projects in the region. The City will receive over \$4.75 million to benefit conservation, recycled water and storm water efforts, as well as acquiring reservoir watershed property. This funding will help in protecting our water resources and developing alternative water supplies.

Under Proposition 84 and 1E, over \$91 million in grant funding is now available to the San Diego Integrated Regional Water Management (IRWM) Program Partners (the City, the County, and the Water Authority). Each of the partners is contributing \$300,000 towards the update of the San Diego Regional IRWM Plan and the preparation and submittal of regional grant applications. These grants will make many projects possible including flood management and storm water efforts included in the IRWM Plan.

Funded by \$5.5 million through state Proposition 50 IRWM grant and the San Diego County Water Authority (CWA), the Watershed and Resource Protection Team prepared and began implementing a land acquisition plan to provide an expanded source water protection buffer around the San Vicente Reservoir to protect our precious water supply.

The Watershed and Resource Protection Team has been awarded a \$325,000 SANDAG TransNet grant for land management activities near Otay Reservoir and continued their efforts in applying for an additional \$4.5 million of grant funding to benefit habitat restoration and land management on Water Section lands. It was also awarded a \$500,000 Local Investigative Studies Assistance Grant from CWA for Pilot Production Wells Investigation. It executed agreements valued at \$1.9 million for investigations, testing, and monitoring of local aquifers in order to develop local water supplies. In addition, it secured a \$250,000 grant from the Department of Water Resources for the San Pasqual Groundwater Monitoring Project.

The Water Section's Grant Branch is working to complete final State Proposition 50 grant agreements for the upgrade and expansion of three water treatment plants. The projects would improve the water treatment process at each of the plants. There is an estimated \$48 million in potential grant awards the Branch is working to secure in Fiscal Year 2009. In addition, the Branch is pursuing funding opportunities through the State Revolving Fund Loan programs.

**Customer Service.** The Customer Support Division in the Water Section responded to more than 529,000 phone calls and emails in the past year. These included inquiries regarding customer accounts, information about water conservation, and general questions to the Public Information Branch. The Field Services and Investigations Branch achieved a domestic meter reading skip rate of less than 0.5 percent. As California's water supply becomes more restricted due to lack of significant rainfall/snow and environmental issues in the Bay-Delta region, the Water Section is preparing for additional reductions in water deliveries through enhanced public outreach and drought response planning. While the City of San Diego is currently under a voluntary water conservation stage, it is possible that mandatory water conservation will be declared in the near future.

**Recycled Water.** As of December 2008, 446 retail and three wholesale customers are connected to the City's recycled water distribution systems. The beneficial reuse of the recycled water exceeded 12,164 acre-feet (AF) in Fiscal Year 2008: 7,001.8 AF from the North City Water Reclamation Plant and 5,162.5 from the South Bay Plant. During the same time period, qualifying sales of recycled water resulted in over \$2.9 million in financial incentives

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from water wholesalers. In Calendar Year 2008, 100 percent of customer site inspections were completed as mandated by the Regional Water Quality Control Board.

**Watershed.** In order to protect our important watersheds, the City of San Diego Water Section gained unanimous approval by the California Department of Transportation's (Caltrans) California Traffic Control Devices Committee to make the City's prototype watershed sign available statewide. This decision makes San Diego's watershed sign part of the Manual of Uniform Traffic Control Devices and makes it widely available for use by other agencies and organizations throughout California.

The Water Section managed 41,200 acres of Section-owned rural lands for watershed and habitat values. This included management of 10,400 acres of Multiple Species Conservation Plan Cornerstone Lands in full compliance with the directives of federal and State resource agencies.

**Projects.** The Water Section completed the Miramar Service Area Water Master Plan which involved the analysis of pressure, flow, velocity, and reliability to improve the entire potable water system north of Interstate 8 and identified replacement and expansion projects valued at \$251 million as part of the Water Section's Water Facilities Master Planning effort.

In addition, the Section also completed the Green Valley Pipeline and the Del Mar Heights Pipeline hydraulic deficiencies investigation studies to improve the Water Section's operation of the water system.

It also successfully secured funds from the Federal Emergency Management Agency (FEMA) to cover the costs of post-fire debris removal on Water Section lands after the October 2007 wildfire disaster and coordinated with FEMA to secure in excess of \$650,000 for needed repairs and upgrades to historic structures not damaged in the fires.

The Section also completed the update of the Water Section's Long-term Water Demand Forecast based upon the SANDAG Series 11 forecast. This includes updates to global warming projections, water and sewer rate, and water conservation parameters.

The La Jolla Country Club Reservoir was put back online in Spring 2009. The Liner Project was successfully completed within five months of being notified that the existing liner had failed which caused the reservoir to leak. In order to protect our water resources (especially during this time of drought), Water Section staff provided necessary technical support to the Engineering & Capital Projects team throughout construction which attributed to the rapid completion of the La Jolla Country Club Reservoir Liner Project.

The Water Reliability Program has successfully completed five Water Supply Assessments in compliance with Senate Bill 610/221 (SB610/221).

The Section has accomplished major milestones within the San Pasqual Conjunctive Use Study project which included the Pre-feasibility Analysis, development of the Groundwater Model, and the construction of a 200-foot-deep monitoring well with a well construction report.

The San Pasqual Brackish Groundwater Desalination Demonstration project also accomplished major milestones with the completion of a viable 150 gallons per minute (GPM) well, plant and piping infrastructure, and the installation of a Reverse Osmosis (RO) skid.

**Information Technology.** The Information Technology Branch of the Water Section completed three innovative projects. The Automated Meter Reading (AMR) Project included the replacement and retrofit of 27,000 water meters with AMR devices that allowed them to be read electronically. To support the project, the AMR Project Control System web application was developed to track information on converted meters, track the vendor project status, hold new meter data such as multiple registers and meter interface unit information and vendor installations. BROOK (Business Repository of Operational Knowledge) Phase 1 of our Section data warehouse focused on populating the Computer Maintenance Management System (CMMS) and Vehicle Tracking data, empowering users to quickly create analytical reports and promoting data accuracy. All Water data will eventually reside in BROOK. The Water Incident Tracking System (WITS) integrates three separate systems from the Customer Support Division, the Water Operations Division, and the Water Quality Laboratory. It is designed to be easily audited for Bid-to-

Goal and Pay-for-Performance programs.

**Training.** The Water Section Training Branch successfully completed the transition to the Public Utilities Department Training Branch by merging with the Metropolitan Wastewater Section Training Branch. This transition required planning and execution of many plans, policies, and procedures that will result in an increased level of service to all internal and external customers while realizing savings, and eliminating duplication of services.

**Rates and Bonds.** The Rate Analysis & Capital Improvements Program Support Branch implemented a pass-through rate increase, effective January 1, 2009, as a result of increased cost of water purchased from the County Water Authority (CWA) and a rate increase to support the Indirect Potable Reuse Pilot Project (IPR). The Branch also worked closely with the Debt Management Department to issue new public debt to replace a previously issued short-term note of \$57 million and refinance other outstanding debt of approximately \$97 million. Before the end of Fiscal Year 2009, the Section will refinance another short-term note of \$150 million and plans to borrow \$150 million of new money to continue the approved Capital Improvements Program.

## Budget Dollars at Work: Performance Expectations

### Goal 1: Safe, reliable water

Performance Measure	Baseline FY2008	Estimated FY2009	Target FY2010
1. Number of Primary Maximum Contaminant Level (MCL) violations as a result of potable water quality sampling	0	0	0
2. Percent of service leaks investigated within two working days	86%	91%	88%
3. Percent of service leaks repaired within seven working days after referral	97%	97%	97%
4. Percent of hydrant knock-overs responded to within one hour <sup>1</sup>	95%	94%	100%
5. Percent of citywide valve leaks repaired within five working days after referral	91%	93%	88%

### Goal 2: Fiscally-sound, operationally-efficient Water Section

Performance Measure	Baseline FY2008	Estimated FY2009	Target FY2010
1. Average number of days to respond to and resolve customer-initiated service investigations	10 days	7 days	10 days
2. Percent increase/decrease in the usage of Electronic Bill Presentment and Payment (EBPP)	4.9% increase	7.4%	8.1%
3. Deviation between Operating and Maintenance (O&M) expenditures and those anticipated through the Rate Case	\$14.8M	\$13.6M	0% or negative

<sup>1</sup> The data associated with number of water main breaks responded to within an hour has been removed from this measure as it existed last year. It has been determined that the Section is unable to accurately track response times for main breaks. Unlike fire hydrant knock-overs which are a visible condition, water mains breaks are located underground and the actual problem cannot be identified by the initial report. Water main breaks are usually reported as “leaks” which are prioritized and responded to differently than “breaks.” Accordingly, the Section often is not aware of a break until after the initial investigation or upon excavation of the water main, making response within an hour impossible. Moreover, the data is not coded in a way that makes for easy, accurate reporting of this statistic.

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## Goal 3: Sustainable growth and economic prosperity

Performance Measure	Baseline FY2008	Estimated FY2009	Target FY2010
1. Volume of raw water purchases reduced as a result of water conservation (in acre-feet per year)	10,314 AFY	33,789 AFY	32,000 AFY
2. Percent increase/decrease in the citywide use of recycled water (in acre-feet per year)	7,328 AFY	11% 8,210 AFY	3% 8,450 AFY

## Goal 4: Responsive, safe and innovative workforce

Performance Measure	Baseline FY2008	Estimated FY2009	Target FY2010
1. Percent of equipment and facilities inventories completed	N/A <sup>2</sup>	100%	100%

## Budget Dollars at Work: Sizing and Workload Data

	Actual FY2006	Actual FY2007	Actual FY2008	Estimated FY2009	Target FY2010
<b>Sizing Data</b>					
Population of City of San Diego	1,311,162	1,316,837	1,336,865	1,343,305	1,365,130
Square miles of land and water (City of San Diego)	404	404	404	404	404
Number of treatment plants	3	3	3	3	3
Number of pump stations	49	50	50	50	50
Number of reservoirs	9	9	9	9	9
Average daily City water consumption (in million gallons)	204	221	218 <sup>3</sup>	215	192 <sup>4</sup>
Total City water consumed including South Bay (million gallons)	74,729	73,963	74,430	70,400	63,858 <sup>4</sup>
Total water deliveries (in million gallons) <sup>5</sup>	79,485	80,938	79,910 <sup>3</sup>	77,600	70,174
<b>Workload Data</b>					
Miles of operated and maintained pipelines	3,335	3,381	3,263	3,104	3,148
Number of water meters operated	272,466	273,304	278,692	275,151	276,239
Number of fire hydrants maintained	24,661	24,905	25,003	25,013	25,050
Customer service calls answered (beginning in FY2007, data include e-mail inquiries)	282,184	455,329	529,255	530,000	545,000
Millions of gallons of water (raw and filtered) delivered <sup>5</sup>	79,485	74,842	71,451	68,100	66,000
Managed acres of Water Section-owned rural lands for watershed and habitat values	N/A	40,100	41,100	41,200	42,000
Acres of burned watershed lands assessed and being remediated in cooperation with other agencies	N/A	16,681	209,200	N/A	N/A <sup>6</sup>
Number of preventive maintenance activities	N/A	N/A	16,826	14,203	16,203

<sup>2</sup> For Fiscal Year 2009, the Office of the City Auditor has already conducted an inventory of all equipment and facilities. The Water Department submitted data collected in December 2008.

<sup>3</sup> This was modified to reflect an accurate year-end number.

<sup>4</sup> Projections for the Fiscal Year 2010 water volumetric and sales data reflect an anticipated 15 percent reduction due to conservation efforts.

<sup>5</sup> Raw and filtered water delivered includes all water purchased from CWA. All delivered water combined with local water is used to produce total water deliveries.

<sup>6</sup> This assessment only occurs following large wildfires which are not predictable; thus it is not possible to set numerical targets for future years.

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	<b>Actual FY2006</b>	<b>Actual FY2007</b>	<b>Actual FY2008</b>	<b>Estimated FY2009</b>	<b>Target FY2010</b>
(PMs) to air valves, hydrants, blow-offs and valves ( $\geq 6$ " ) conducted <sup>7</sup>					
Number of preventive maintenance activities (PMs) on control and regulator valves completed	300	467	367	359	477

<sup>7</sup> Number of preventative maintenance activities (PM's) to air valves, hydrant, blow-offs, and in-line valves completed does not show activity in Fiscal Year 2005 through Fiscal Year 2007 since that information was not tracked until Fiscal Year 2008.



**Department Summary**

Water				
	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED	FY 2009-2010 CHANGE
Positions	850.90	778.50	<b>775.50</b>	(3.00)
Personnel Expense	\$ 75,996,588	\$ 67,682,756	\$ <b>67,696,275</b>	\$ 13,519
Non-Personnel Expense	\$ 429,957,941	\$ 466,210,159	\$ <b>499,125,044</b>	\$ 32,914,885
<b>TOTAL</b>	\$ 505,954,529	\$ 533,892,915	\$ <b>566,821,319</b>	\$ 32,928,404

**Department Staffing**

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
<b>WATER DEPARTMENT FUND</b>			
<b>Water Department</b>			
Business and Support Services	49.00	59.00	<b>56.00</b>
Capital Improvement Projects	21.00	0.00	<b>0.00</b>
CIP Division Management	2.00	0.00	<b>0.00</b>
CIP Planning	13.00	0.00	<b>0.00</b>
CIP Program Management	9.00	29.00	<b>27.00</b>
CIP Water Review	10.00	0.00	<b>0.00</b>
Construction and Maintenance	203.00	184.00	<b>183.00</b>
Customer Services Office	53.00	52.00	<b>52.00</b>
Customer Support - Meter Services	70.00	68.00	<b>68.00</b>
Customer Support Division Administration	7.00	7.00	<b>7.00</b>
Department Management	3.00	2.50	<b>2.50</b>
Division Administration	2.00	15.00	<b>12.00</b>
Field Services & Investigations	47.00	45.00	<b>45.00</b>
Human Resources	27.00	14.00	<b>12.00</b>
Plant Operations	49.00	46.00	<b>46.00</b>
Public Information & Community Outreach	3.00	0.00	<b>0.00</b>
Raw Water Storage and Distribution	40.00	44.00	<b>45.00</b>
Recycled Water Program	15.00	11.00	<b>16.00</b>
Safety Program	6.00	7.00	<b>6.00</b>
Trench Repair	23.90	0.00	<b>0.00</b>
Water Conservation Program	18.00	18.00	<b>18.00</b>
Water Laboratory	46.00	44.00	<b>44.00</b>
Water Legislation & Policy Analysis	3.00	2.00	<b>2.00</b>
Water Operations Administration	15.00	15.00	<b>14.00</b>
Water Operations/Lakes Recreation	13.00	13.00	<b>13.00</b>
Water Pol Div - Strat Planning	2.00	0.00	<b>0.00</b>
Water Reliability Program	9.00	7.00	<b>9.00</b>

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## Department Staffing

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
<b>WATER DEPARTMENT FUND</b>			
<b>Water Department</b>			
Water Shed Mgmt - Division Mgt	1.00	0.00	0.00
Water System Engineering	29.00	29.00	25.00
Wtr Ops Div - System Operations	59.00	64.00	69.00
Wtrshed & Resource Protection	3.00	3.00	4.00
<b>Total</b>	<b>850.90</b>	<b>778.50</b>	<b>775.50</b>

## Department Expenditures

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
<b>GENERAL FUND</b>			
<b>Reservoir Recreation</b>			
Concession Management/Support	\$ -	\$ -	\$ 1,994,583
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,994,583</b>
<b>WATER DEPARTMENT FUND</b>			
<b>Water Department</b>			
Appropriated Reserve Transfer	\$ 5,822,200	\$ 5,822,200	\$ 5,000,000
Assurance Fund	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000
Bond Debt Service and Loan Payments	\$ 58,888,385	\$ 63,553,164	\$ 65,741,405
Business and Support Services	\$ 12,001,672	\$ 14,389,526	\$ 16,219,398
Capital Improvement Projects	\$ 149,166,117	\$ 177,877,581	\$ 177,869,158
CIP Division Management	\$ 3,086,554	\$ 771,156	\$ 551,227
CIP Planning	\$ 1,840,829	\$ -	\$ 24,615
CIP Program Management	\$ 1,019,447	\$ 3,433,692	\$ 3,191,198
CIP Project Management South	\$ 75,388	\$ -	\$ -
CIP Project Management WTP	\$ 114,102	\$ -	\$ -
CIP Water Review	\$ 2,573,883	\$ -	\$ -
Construction and Maintenance	\$ 24,058,512	\$ 28,123,631	\$ 27,829,758
Cust Support - Information Systems	\$ 5,892,264	\$ 4,060	\$ 3,763
Customer Services Office	\$ 7,027,426	\$ 6,574,651	\$ 7,442,348
Customer Support - Meter Services	\$ 8,989,757	\$ 8,829,799	\$ 10,754,146
Customer Support Division Administration	\$ 1,901,209	\$ 1,927,573	\$ 3,028,314
CWA Water	\$ -	\$ 125,218,503	\$ 151,124,846
Department Management	\$ 658,121	\$ 408,679	\$ 400,887
Division Administration	\$ 549,705	\$ 4,989,517	\$ 14,861,423
Field Services & Investigations	\$ 3,830,856	\$ 4,039,828	\$ 4,217,101
General Government Services	\$ 4,755,513	\$ 6,083,917	\$ 7,240,462
Human Resources	\$ 2,928,655	\$ 1,153,694	\$ 971,319
Operating Reserve	\$ 19,936,102	\$ 19,936,102	\$ 877,784

**Department Expenditures**

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
<b>WATER DEPARTMENT FUND</b>			
<b>Water Department</b>			
Plant Operations	\$ 10,691,617	\$ 9,179,136	\$ 15,232,610
Project Management - North	\$ 32,798	\$ -	\$ -
Public Information & Community Outreach	\$ 388,047	\$ -	\$ -
Raw Water Storage and Distribution	\$ 3,890,751	\$ 4,367,543	\$ 4,672,039
Recycled Water Program	\$ 1,796,790	\$ 1,290,973	\$ 2,109,419
Safety Program	\$ 2,264,239	\$ 2,295,763	\$ 2,222,488
Special Projects	\$ 10,172	\$ -	\$ -
Stormwater/Watershed	\$ 62,864	\$ -	\$ -
Trench Repair	\$ 4,941,072	\$ -	\$ -
Water Conservation Program	\$ 2,778,543	\$ 2,323,216	\$ 3,483,605
Water Department	\$ 441,837	\$ (2,476,600)	\$ (1,402,150)
Water Laboratory	\$ 5,747,552	\$ 5,111,686	\$ 5,141,207
Water Legislation & Policy Analysis	\$ 257,316	\$ 284,282	\$ 227,970
Water Operations Administration	\$ 17,564,258	\$ 19,090,830	\$ 15,792,926
Water Operations/Lakes Recreation	\$ 1,738,622	\$ 1,698,599	\$ 1,721,434
Water Pol Div - Administration	\$ 1,047,132	\$ -	\$ 29,065
Water Pol Div - Strat Planning	\$ 255,694	\$ -	\$ -
Water Purchases New Division	\$ 120,025,426	\$ -	\$ -
Water Reliability Program	\$ 1,761,975	\$ 1,966,383	\$ 2,270,764
Water Shed Mgmt - Division Mgt	\$ 226,275	\$ -	\$ -
Water System Engineering	\$ 2,957,517	\$ 3,112,782	\$ 2,743,168
Wtr Ops Div - System Operations	\$ 7,137,498	\$ 7,509,625	\$ 7,939,065
Wtrshd & Resource Protection	\$ 319,837	\$ 501,425	\$ 793,974
<b>Total</b>	<b>\$ 505,954,529</b>	<b>\$ 533,892,915</b>	<b>\$ 564,826,736</b>

**Significant Budget Adjustments**

**GENERAL FUND**

Reservoir Recreation	Positions	Cost	Revenue
<b>Support for Reservoir Lakes</b>	0.00	\$ 41,164	\$ 0
Adjustment to reflect funding to support the operation and maintenance of Reservoir Lakes.			

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## Significant Budget Adjustments

### GENERAL FUND

Reservoir Recreation	Positions	Cost	Revenue
<b>Fiscal Year 2010 BPR Adjustments</b>	0.00 \$	0 \$	625,029
Adjustment to reflect increase in fees due to Business Process Reengineering (BPR).			

### WATER DEPARTMENT FUND

Water Department	Positions	Cost	Revenue
<b>Salary and Benefit Adjustments</b>	0.00 \$	1,825,142 \$	0
Adjustments to reflect the annualization of the Fiscal Year 2009 negotiated salary compensation schedule, changes to average salaries, retirement contributions, retiree health contributions, and fringe adjustments.			
<b>Increase in Water Rate</b>	0.00 \$	25,906,343 \$	0
Adjustment reflects the increase in the cost of water by the San Diego County Water Authority.			
<b>Indirect Potable Reuse Demonstration Project</b>	0.00 \$	10,526,000 \$	0
Adjustment reflects the additional expenses needed to support the Indirect Potable Reuse Demonstration Project.			
<b>Increase in Chemicals and Supplies</b>	0.00 \$	4,900,585 \$	0
Adjustment reflects the increase in the cost of chemicals and other miscellaneous supplies.			
<b>Equipment/Support for Information Technology</b>	0.00 \$	3,527,509 \$	0
Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.			
<b>Non-Discretionary Adjustment</b>	0.00 \$	2,627,858 \$	0
Adjustments to expense allocations that are determined outside of the department's direct control. These adjustments are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.			
<b>Support for Public Outreach Campaign</b>	0.00 \$	1,200,000 \$	0
Adjustment reflects the addition of non-personnel expenses to support the Water Conservation Public Outreach Campaign for Irrigation Controller Incentive Program to promote water conservation.			
<b>Support for Bid-to-Goal Program</b>	0.00 \$	1,000,000 \$	0
Adjustment reflects the addition of non-personnel expenses for Employee Efficiency Incentive Reserve.			
<b>Addition for Automated Meter System</b>	0.00 \$	900,000 \$	0
Adjustment reflects the addition of non-personnel expenses for an Automated Meter Reading System.			

## Significant Budget Adjustments

### WATER DEPARTMENT FUND

Water Department	Positions	Cost	Revenue
<p><b>Purchase Order Re-budget</b></p> <p>Adjustment to reflect the re-budgeting of remaining balances in open purchase orders from Fiscal Years 2007 and 2008.</p>	0.00	\$ 595,379	\$ 0
<p><b>Addition for Test System</b></p> <p>Adjustment reflects the purchase of a meter testing system that will help in water conservation efforts.</p>	0.00	\$ 400,000	\$ 0
<p><b>Addition for Wireless Modems</b></p> <p>Adjustment reflects the addition of non-personnel expenses for GPS satellite vehicle modems and maintenance cost.</p>	0.00	\$ 268,948	\$ 0
<p><b>Support for Water Recycle Program</b></p> <p>Adjustment reflects the addition of 2.00 Senior Engineering Aide positions to support the Recycled Water Program.</p>	2.00	\$ 163,331	\$ 0
<p><b>Addition for Meter Locks</b></p> <p>Adjustment reflects the addition of expenses for the installation of steel lock rings to secure water meters.</p>	0.00	\$ 97,190	\$ 0
<p><b>Revised Revenue</b></p> <p>Adjustment to reflect Fiscal Year 2010 revenue projections.</p>	0.00	\$ 0	\$ 4,272,256
<p><b>SAP Support Department Transfer</b></p> <p>Transfer of position(s) to the newly created SAP Support Department to manage the integrated ERP System.</p>	(1.00)	\$ (76,678)	\$ 0
<p><b>Consolidation with Metropolitan Wastewater Department</b></p> <p>Reduction of 1.00 Organization Effectiveness Specialist II, 1.00 Payroll Specialist I, and 1.00 Associate Civil Engineer positions to achieve greater efficiency from the consolidation of the Water Department and Metropolitan Wastewater Department.</p>	(3.00)	\$ (277,638)	\$ 0
<p><b>Urban Water Management Plan</b></p> <p>Adjustment reflects the reduction of non-personnel expense due to project completion in Fiscal Year 2009 as a component of the Urban Water Management Plan.</p>	0.00	\$ (400,000)	\$ 0
<p><b>Departmental Reduction Plan</b></p> <p>Adjustment reflects the reduction of 1.00 Assistant Civil Engineer position and non-personnel expenses to appropriately align departmental expenditures with anticipated revenues.</p>	(1.00)	\$ (967,486)	\$ 0
<p><b>Vacancy Savings</b></p> <p>Adjustments to personnel expenses to reflect the anticipated savings resulting from positions projected to be vacant for any period of the fiscal year due to personnel attrition and salary differentials for new employees.</p>	0.00	\$ (1,402,150)	\$ 0

# Water

## Significant Budget Adjustments

### WATER DEPARTMENT FUND

Water Department	Positions	Cost	Revenue
<b>Reduction in Operating Reserves</b>	0.00	\$ (19,880,518)	\$ 0
Adjustment reflects the reduction in the Operating Reserve. The Department will continue to maintain adequate reserves within the Department's Fund.			

## Expenditures by Category

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
<b>PERSONNEL</b>			
Salaries & Wages	\$ 50,268,860	44,576,486	<b>45,336,179</b>
Fringe Benefits	\$ 25,727,728	23,106,270	<b>22,360,096</b>
<b>SUBTOTAL PERSONNEL</b>	<b>75,996,588</b>	<b>67,682,756</b>	<b>67,696,275</b>
<b>NON-PERSONNEL</b>			
Supplies & Services	\$ 411,020,929	446,302,254	<b>475,135,314</b>
Information Technology	\$ 9,725,265	8,619,440	<b>12,080,374</b>
Energy/Utilities	\$ 8,287,554	10,431,508	<b>9,742,335</b>
Equipment Outlay	\$ 924,193	856,957	<b>2,167,021</b>
<b>SUBTOTAL NON-PERSONNEL</b>	<b>429,957,941</b>	<b>466,210,159</b>	<b>499,125,044</b>
<b>TOTAL</b>	<b>505,954,529</b>	<b>533,892,915</b>	<b>566,821,319</b>

## Revenues by Category

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
<b>GENERAL FUND</b>			
Revenue from Money & Property	\$ -	\$ -	<b>1,835,513</b>
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,835,513</b>

## Salary Schedule

### WATER DEPARTMENT FUND

#### Water Department

Class	Position Title	FY 2009 Positions	FY 2010 Positions	Salary	Total
1013	Water Systems Technician III	195.00	<b>193.00</b>	\$ 48,739	\$ 9,406,690
1014	Water Systems Technician IV	61.00	<b>60.00</b>	\$ 56,387	\$ 3,383,220
1015	Water Systems Technician Supervisor	21.00	<b>21.00</b>	\$ 65,319	\$ 1,371,699
1016	Water Systems District Manager	4.00	<b>4.00</b>	\$ 75,130	\$ 300,519
1104	Account Clerk	6.00	<b>6.00</b>	\$ 37,814	\$ 226,884
1106	Sr Management Analyst	7.00	<b>7.00</b>	\$ 71,273	\$ 498,910

## Salary Schedule

## WATER DEPARTMENT FUND

## Water Department

<i>Class</i>	<i>Position Title</i>	<i>FY 2009 Positions</i>	<i>FY 2010 Positions</i>	<i>Salary</i>	<i>Total</i>
1107	Administrative Aide II	10.00	<b>10.00</b>	\$ 50,409	\$ 504,090
1136	Asst Chemist	14.00	<b>14.00</b>	\$ 65,301	\$ 914,208
1153	Asst Engineer-Civil	28.00	<b>27.00</b>	\$ 69,001	\$ 1,863,016
1193	Asst Reservoir Keeper	8.00	<b>8.00</b>	\$ 41,662	\$ 333,299
1218	Assoc Management Analyst	24.00	<b>25.00</b>	\$ 63,595	\$ 1,589,883
1220	Assoc Chemist	4.00	<b>4.00</b>	\$ 74,706	\$ 298,825
1221	Assoc Engineer-Civil	25.00	<b>24.00</b>	\$ 79,928	\$ 1,918,281
1227	Assoc Planner	1.00	<b>1.00</b>	\$ 66,557	\$ 66,557
1230	Multimedia Production Specialist	1.00	<b>1.00</b>	\$ 51,768	\$ 51,768
1237	Payroll Specialist I	1.00	<b>0.00</b>	\$ -	\$ -
1238	Payroll Supv	1.00	<b>1.00</b>	\$ 47,683	\$ 47,683
1243	Info Systems Administrator	1.00	<b>1.00</b>	\$ 88,574	\$ 88,574
1275	Building Services Supv	1.00	<b>1.00</b>	\$ 55,481	\$ 55,481
1288	Carpenter	2.00	<b>2.00</b>	\$ 52,003	\$ 104,006
1293	Cement Finisher	1.00	<b>1.00</b>	\$ 51,095	\$ 51,095
1330	Cashier	5.00	<b>5.00</b>	\$ 37,243	\$ 186,216
1348	Info Systems Analyst II	8.00	<b>8.00</b>	\$ 63,270	\$ 506,163
1349	Info Systems Analyst III	3.00	<b>3.00</b>	\$ 71,601	\$ 214,803
1356	Code Compliance Officer	3.00	<b>3.00</b>	\$ 44,163	\$ 132,489
1357	Code Compliance Supv	1.00	<b>1.00</b>	\$ 51,007	\$ 51,007
1369	Water Distribution Operator	6.00	<b>6.00</b>	\$ 56,870	\$ 341,222
1370	Water Distribution Operations Supv	1.00	<b>1.00</b>	\$ 64,212	\$ 64,212
1393	Customer Services Supv	4.00	<b>4.00</b>	\$ 67,418	\$ 269,671
1394	Customer Services Representative	34.00	<b>34.00</b>	\$ 39,022	\$ 1,326,759
1398	Ranger/Diver I	3.00	<b>3.00</b>	\$ 51,272	\$ 153,816
1399	Ranger/Diver II	2.00	<b>2.00</b>	\$ 56,545	\$ 113,090
1401	Info Systems Technician	1.00	<b>0.00</b>	\$ -	\$ -
1423	Sr Drafting Aide	7.00	<b>7.00</b>	\$ 53,260	\$ 372,823
1437	Equipment Mechanic	1.00	<b>1.00</b>	\$ 52,814	\$ 52,814
1440	Equipment Operator II	14.00	<b>15.00</b>	\$ 49,096	\$ 736,444
1443	Electronics Technician	1.00	<b>1.00</b>	\$ 56,718	\$ 56,718
1445	Equipment Operator III	1.00	<b>0.00</b>	\$ -	\$ -
1465	Field Representative	15.00	<b>32.00</b>	\$ 38,916	\$ 1,245,312
1508	Irrigation Specialist	3.00	<b>3.00</b>	\$ 45,061	\$ 135,182
1512	Heavy Truck Driver II	2.00	<b>2.00</b>	\$ 44,642	\$ 89,284
1520	Hydrography Aide	1.00	<b>1.00</b>	\$ 46,800	\$ 46,800
1523	Instrumentation & Control Tech	7.00	<b>7.00</b>	\$ 62,217	\$ 435,522
1535	Clerical Assistant II	8.00	<b>8.00</b>	\$ 35,402	\$ 283,215
1556	Recycling Program Manager	1.00	<b>1.00</b>	\$ 92,182	\$ 92,182
1560	Lake Aide II	14.00	<b>14.00</b>	\$ 31,746	\$ 444,440
1575	Data Entry Operator	1.00	<b>1.00</b>	\$ 38,564	\$ 38,564

# Water

## Salary Schedule

### WATER DEPARTMENT FUND

#### Water Department

<i>Class</i>	<i>Position Title</i>	<i>FY 2009 Positions</i>	<i>FY 2010 Positions</i>	<i>Salary</i>		<i>Total</i>
1580	Laboratory Technician	10.00	<b>10.00</b>	\$	48,291	\$ 482,908
1599	Lakes Program Manager	1.00	<b>1.00</b>	\$	88,551	\$ 88,551
1612	Org Effectiveness Specialist III	1.00	<b>1.00</b>	\$	71,648	\$ 71,648
1614	Org Effectiveness Specialist II	3.00	<b>2.00</b>	\$	64,735	\$ 129,469
1615	Org Effectiveness Supv	1.00	<b>1.00</b>	\$	72,800	\$ 72,800
1620	Meter Reader	17.00	<b>0.00</b>	\$	-	\$ -
1622	Biologist III	3.00	<b>3.00</b>	\$	74,563	\$ 223,690
1624	Biologist II	8.00	<b>8.00</b>	\$	64,582	\$ 516,654
1648	Payroll Specialist II	6.00	<b>6.00</b>	\$	41,507	\$ 249,040
1666	Plant Process Control Electrician	5.00	<b>5.00</b>	\$	62,300	\$ 311,501
1668	Plant Process Control Supv	1.00	<b>1.00</b>	\$	68,224	\$ 68,224
1725	Principal Drafting Aide	4.00	<b>4.00</b>	\$	60,756	\$ 243,023
1727	Principal Engineering Aide	11.00	<b>11.00</b>	\$	60,057	\$ 660,625
1746	Word Processing Operator	21.00	<b>20.00</b>	\$	37,643	\$ 752,865
1751	Project Officer I	1.00	<b>1.00</b>	\$	80,454	\$ 80,454
1752	Project Officer II	1.00	<b>1.00</b>	\$	92,851	\$ 92,851
1776	Public Information Clerk	4.00	<b>4.00</b>	\$	37,436	\$ 149,745
1777	Public Info Officer	1.00	<b>1.00</b>	\$	51,304	\$ 51,304
1798	Golf Course Manager	1.00	<b>2.00</b>	\$	71,502	\$ 143,004
1804	Sr Biologist	1.00	<b>1.00</b>	\$	86,123	\$ 86,123
1816	Claims & Insurance Manager	2.00	<b>2.00</b>	\$	82,977	\$ 165,954
1817	Reservoir Keeper	8.00	<b>8.00</b>	\$	47,074	\$ 376,588
1823	Safety Officer	1.00	<b>1.00</b>	\$	69,406	\$ 69,406
1826	Safety Representative II	3.00	<b>3.00</b>	\$	60,357	\$ 181,071
1844	Sr Account Clerk	1.00	<b>1.00</b>	\$	42,722	\$ 42,722
1854	Sr Chemist	1.00	<b>1.00</b>	\$	86,466	\$ 86,466
1855	Sr Civil Engineer	6.00	<b>7.00</b>	\$	91,941	\$ 643,587
1860	Sr Customer Services Rep	6.00	<b>6.00</b>	\$	44,917	\$ 269,500
1861	Sr Engineering Aide	13.00	<b>15.00</b>	\$	53,610	\$ 804,150
1870	Senior Water Utility Supv	1.00	<b>1.00</b>	\$	56,537	\$ 56,537
1872	Sr Planner	2.00	<b>2.00</b>	\$	78,203	\$ 156,406
1876	Executive Secretary	1.00	<b>1.00</b>	\$	51,538	\$ 51,538
1879	Sr Clerk/Typist	2.00	<b>2.00</b>	\$	43,115	\$ 86,230
1884	Water Production Superintendent	2.00	<b>2.00</b>	\$	98,556	\$ 197,112
1899	Stock Clerk	1.00	<b>1.00</b>	\$	35,036	\$ 35,036
1902	Storekeeper I	1.00	<b>1.00</b>	\$	41,330	\$ 41,330
1917	Supv Management Analyst	6.00	<b>7.00</b>	\$	80,297	\$ 562,079
1921	Supv Field Representative	2.00	<b>2.00</b>	\$	43,043	\$ 86,086
1923	Supv Economist	1.00	<b>1.00</b>	\$	80,286	\$ 80,286
1925	Supv Meter Reader	2.00	<b>2.00</b>	\$	44,275	\$ 88,549
1926	Info Systems Analyst IV	2.00	<b>2.00</b>	\$	79,967	\$ 159,934

**Salary Schedule**

**WATER DEPARTMENT FUND**

**Water Department**

<i>Class</i>	<i>Position Title</i>	<i>FY 2009 Positions</i>	<i>FY 2010 Positions</i>	<i>Salary</i>	<i>Total</i>
1940	Supv Public Info Officer	3.00	<b>3.00</b>	\$ 69,874	\$ 209,622
1971	Training Supv	1.00	<b>1.00</b>	\$ 69,363	\$ 69,363
1972	Safety & Training Manager	2.00	<b>2.00</b>	\$ 79,948	\$ 159,896
1985	Welder	3.00	<b>3.00</b>	\$ 52,509	\$ 157,528
1986	Water Operations Supv	3.00	<b>3.00</b>	\$ 81,307	\$ 243,921
1987	Sr Water Operations Supv	3.00	<b>3.00</b>	\$ 93,517	\$ 280,551
1988	Water Plant Operator	24.00	<b>24.00</b>	\$ 68,218	\$ 1,637,226
2181	Asst Department Director	1.00	<b>1.00</b>	\$ 140,001	\$ 140,001
2194	Water Department Director	0.50	<b>0.50</b>	\$ 174,998	\$ 87,499
2214	Deputy Director	4.00	<b>4.00</b>	\$ 119,758	\$ 479,032
2250	Asst Deputy Director	1.00	<b>1.00</b>	\$ 108,123	\$ 108,123
2270	Program Manager	5.00	<b>5.00</b>	\$ 108,966	\$ 544,831
	Vacancy Factor Adjustment	0.00	<b>0.00</b>	\$ -	\$ (1,402,150)
	Bilingual - Regular	0.00	<b>0.00</b>	\$ -	\$ 9,034
	Confined Space Pay	0.00	<b>0.00</b>	\$ -	\$ 212,287
	Emergency Medical Tech	0.00	<b>0.00</b>	\$ -	\$ 27,438
	Ex Perf Pay-Classified	0.00	<b>0.00</b>	\$ -	\$ 48,832
	Ex Perf Pay-Unclassified	0.00	<b>0.00</b>	\$ -	\$ 3,168
	Overtime Budgeted	0.00	<b>0.00</b>	\$ -	\$ 1,974,815
	Reg Pay For Engineers	0.00	<b>0.00</b>	\$ -	\$ 304,799
	Standby Pay	0.00	<b>0.00</b>	\$ -	\$ 92,446
	Tech Cert Pay	0.00	<b>0.00</b>	\$ -	\$ 3,704
	Temporary Help	0.00	<b>0.00</b>	\$ -	\$ 765,731
	<b>Total</b>	<u>778.50</u>	<u><b>775.50</b></u>		<u><b>\$ 45,336,179</b></u>
<b>WATER TOTAL</b>		778.50	<b>775.50</b>		<b>\$ 45,336,179</b>

# Water

## Revenue and Expense Statement (Non-General Fund)

### WATER DEPARTMENT FUND 41500

	FY 2008* BUDGET	FY 2009* BUDGET	FY 2010 PROPOSED
<b>BEGINNING BALANCE AND RESERVE</b>			
Balance from Operating Reserve	\$ -	\$ -	\$ 19,936,102
Balance from Prior Year	\$ 17,175,474	\$ 40,689,986	\$ 16,043,483
Prior Year Continuing Appropriations	\$ 37,075,453	\$ 84,809,460	\$ 112,969,793
Prior Year Encumbrances Cancelled	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Reserve Balance	\$ 99,372,027	\$ 91,089,003	\$ 96,722,622
<b>TOTAL BALANCE</b>	<b>\$ 155,622,954</b>	<b>\$ 218,588,449</b>	<b>\$ 247,672,000</b>
<b>REVENUE</b>			
Capacity Charges	\$ 11,244,286	\$ 11,465,528	\$ 7,736,000
Contributions in Aid	\$ 75,000	\$ 75,000	\$ 75,000
Damages Recovered	\$ 290,200	\$ 264,596	\$ 265,000
Financing Proceeds	\$ 117,753,345	\$ 165,193,489	\$ 119,857,000
Grant Receipts	\$ 3,385,000	\$ 8,000,000	\$ 7,744,703
Interest Earnings	\$ 4,132,000	\$ 4,132,000	\$ 6,032,000
Lakes Recreation	\$ 1,841,845	\$ 2,500,000	\$ 3,552,000
Land and Building Rentals	\$ 5,144,436	\$ 5,818,210	\$ 5,472,956
New Water Services	\$ 2,402,400	\$ 2,115,497	\$ 1,860,000
Other Revenue	\$ 380,047	\$ 806,870	\$ 1,136,783
Reclaimed Water	\$ 5,628,593	\$ 7,876,063	\$ 7,399,000
Reimbursement from Capital Outlay Fund	\$ 100,000	\$ 600,000	\$ 600,000
Sale of Discarded Materials	\$ 14,000	\$ -	\$ 46,000
Sale of Water	\$ 297,677,782	\$ 292,330,535	\$ 342,798,830
Service Charges	\$ 1,375,000	\$ 1,227,488	\$ 1,543,000
Service Rendered to Others	\$ 10,730,528	\$ 8,004,740	\$ 8,564,000
<b>TOTAL REVENUE</b>	<b>\$ 462,174,462</b>	<b>\$ 510,410,016</b>	<b>\$ 514,682,272</b>
<b>TOTAL BALANCE AND REVENUE</b>	<b>\$ 617,797,416</b>	<b>\$ 728,998,465</b>	<b>\$ 762,354,272</b>
<b>CAPITAL IMPROVEMENTS PROGRAM (CIP)</b>			
CIP Expenditures/Budget	\$ 145,575,252	\$ 177,869,077	\$ 149,776,309
<b>TOTAL CIP EXPENSE</b>	<b>\$ 145,575,252</b>	<b>\$ 177,869,077</b>	<b>\$ 149,776,309</b>
<b>OPERATING EXPENSE</b>			
Assurance Fund	\$ 4,500,000	\$ 4,500,000	\$ 5,500,000
Debt Service	\$ 57,512,463	\$ 63,440,664	\$ 65,628,905
Department Expenditures/Encumbrances	\$ 146,451,651	\$ 131,684,529	\$ 177,850,254
Operating Reserve - Budgeted	\$ -	\$ -	\$ 877,784
State Revolving Fund Loan Expense	\$ 1,375,922	\$ 1,375,922	\$ 1,375,922
Transfers to Other Funds	\$ 4,755,513	\$ 6,083,917	\$ 7,240,462
Unallocated Reserve	(1) \$ 5,822,200	\$ 5,822,200	\$ 5,000,000
Water Purchases (Commodity)	\$ 81,617,290	\$ 110,527,369	\$ 134,566,215

**Revenue and Expense Statement (Non-General Fund)****WATER DEPARTMENT FUND 41500**

	FY 2008*	FY 2009*	FY 2010
	BUDGET	BUDGET	PROPOSED
<b>OPERATING EXPENSE</b>			
Water Purchases (Fixed Charges)	\$ 38,408,136	\$ 12,653,135	\$ 17,010,885
<b>TOTAL OPERATING EXPENSE</b>	<u>\$ 340,443,175</u>	<u>\$ 336,087,736</u>	<u>\$ 415,050,427</u>
<b>TOTAL EXPENSE</b>	\$ 486,018,427	\$ 513,956,813	\$ 564,826,736
<b>RESERVE</b>			
Capital Reserve	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Expenditures of Prior Year Enc. & Cont. Approp.	\$ 37,075,453	\$ 144,795,315	\$ 136,446,143
Operating Reserve	\$ 19,936,102	\$ 19,936,102	\$ 19,936,102
Rate Stabilization Fund	\$ 20,500,000	\$ 20,500,000	\$ 20,500,000
Reserve for Dedicated Reserve (DRES) <sup>(2)</sup>	\$ -	\$ -	\$ 2,252,018
Reserve for State Revolving Fund Loan	\$ 1,375,922	\$ 1,375,922	\$ 1,375,922
Secondary Purchase Reserve	\$ 7,201,526	\$ 7,390,830	\$ 7,132,377
<b>TOTAL RESERVE</b>	<u>\$ 91,089,003</u>	<u>\$ 198,998,169</u>	<u>\$ 192,642,562</u>
<b>TOTAL RESERVE</b>	\$ 91,089,003	\$ 198,998,169	\$ 192,642,562
<b>BALANCE</b>	\$ 40,689,986	\$ 16,043,483	\$ 4,884,974
<b>TOTAL EXPENSE, RESERVE, AND BALANCE</b>	\$ 617,797,416	\$ 728,998,465	\$ 762,354,272

\* At the time of publication, audited financial statements for Fiscal Year 2008 were not available. Therefore, the Fiscal Years 2008 and 2009 columns reflect final budget amounts from the Fiscal Year 2008 and 2009 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

(1) Also known as the Appropriated Reserve.

(2) Dedicated Reserve (DRES) is authorized for use by the Independent Rates Oversight Committee (IROC) for Capital Outlay if needed during the Fiscal Year.

