THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: September 22, 2010

TO: Honorable Mayor Jerry Sanders

FROM: Alex Ruiz, Interim Director of Public Utilities

SUBJECT: FY 2009 MWWD Bid to Goal Annual Performance Report

Attached is the Metropolitan Wastewater Department's Bid to Goal Annual Performance Report for Fiscal Year 2009. This is the second year of the five year program and overall, results are positive. This innovative program continues to produce the results for the ratepayers that were intended with its design. After the external audit is completed, the Final Bid to Goal Program Report will be issued.

Should you have any questions, my staff and I are available at your convenience.

Alex Ruiz

Attachment

Metropolitan Wastewater Department

Labor-Management Partnership
Annual FY 2009 Performance Report

Submitted by: _____ **Date:** 9/17/2010

Ann Sasaki, Assistant Director, City of San Diego Public Utilities Department

Reviewed by: Executive Team **Date:** September 10, 2010

Approved by: _____ **Date:** 9/24/10

Alex Ruiz, Interim Director, City of San Diego Public Utilities Department

FY09 Bid to Goal Annual Performance Report
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Introduction

This report is for FY2009, the second year of a five year contract for the Metropolitan Wastewater Department's Bid to Goal (B2G) program. It includes financial results, goal results, achievements and challenges of each Division. In addition, it provides information regarding savings to rate payers, status of the employee efficiency incentive reserve, and substantial conformance results.

Key Performance Measures and Divisional Goal Attainment Summary

The department met 100% of the key performance measures for FY2009, with the exception of one goal which was granted Administrative Relief, indicating that the department maintained the level of service expected for this contract year. The divisional goal attainment varied by each division from a high of 100% to a low of 59% overall.

The Goals and results are detailed in **Appendices A and B** and further elaborated on pages 5 through 22.

Financial Results Summary

The FY2009 expenditure results as reflected in the table below were under the bid by $16,099,898. The savings is a decrease from the previous fiscal year of $25,290,360 in FY08. The reported savings will be audited by the external auditor, AKT, before any savings are deposited in the DRES and EEIR. Savings are summarized by expenditure category as follows:

FY 2009 Financial Results – Summary

CATEGORY	BID	FY2009 EXPENSE	VARIANCE
Personnel Expense	80,872,857	76,475,140	4,397,717
Supplies and Services	87,116,132	81,166,407	5,949,725
Data Processing	14,151,482	9,847,938	4,303,544
Energy Resources/Utility	18,032,250	18,301,065	(268,814)
Outlay	1,698,642	821,134	877,509
One-Time Bid Adjustments	(8,216,973)		(8,216,973)
Encumbrances Released		(7,571,877)	7,571,877
Subtotal	193,654,390	179,039,806	14,614,585
Inflation			1,485,313
Adjusted Savings			16,099,898

Personnel Expense

This expense category includes salaries, special pay, overtime, and benefits. The savings in this area is primarily due to the vacancy rate of approximately 10% throughout the year. The Bid did not assume a vacancy rate. The staff has worked more efficiently, and managed overtime through the ongoing consolidation of the Water and Wastewater departments which began in FY09 and resulted in the elimination of 13 budgeted positions in the FY10 budget in the business support area which was the first area to be optimized.

The Bid was adjusted for the citywide salary and fringe reduction in which employees were required to pick up more of their retirement contribution and other salary and fringe adjustments therefore the City reduced the budgeted needs for this expense. This resulted in savings of $779,743 to the department but was not counted towards the B2G program.

IT Expense

The information technology area was a large area of savings for the department. An aggressive review of how SDDPC staff was being used and contracted for was completed. This resulted in a reduction of 14% usage of this contracted staff with no additional increase in department IT staff. This was accomplished through a review of the work and ways to work more effectively with the resources in-house.

In addition, a Bid adjustment was made due to the fact the City negotiated a 30% reduction in the G&A charged by SDDPC for the contract staff and for project enhancements to EDORS and EMPAC systems that did not occur. This resulted in savings of approximately $1.2 M to the Department but was not counted towards the B2G program. The Bid was adjusted down by an additional $1.5 M for IT projects which were deferred, such as the Records Management project.

Supplies and Services

Diligent review of supplies, services, and equipment usage provided savings in this area. The PRISC study continued to be an effective method for chemical usage and saved the Department approximately $1,730,000 in chemical costs. In addition, the Bid was adjusted down by $3.5 M for supplies and services not required.

The Bid was also adjusted down by $2.0 M in the consultant contracting area due to anticipated environmental studies not being completed. These were included as part of the Bid but the Department was not able to accomplish these due to consolidation and other initiatives taking priority.

Division Annual Performance Reports

FY2009 Bid to Goal Program Annual Performance Report
Wastewater Treatment and Disposal Division (WWTD)

The Wastewater Treatment and Disposal Division achieved 100% of their Gainsharing Goals while continuing to provide all of the services outlined in the statement of work.

WWTD had direct responsibility for meeting five of the eight Metropolitan Wastewater Department (MWWD) key performance indicators. Four of the performance indicators were related to the operation of the major treatment facilities and the fifth was related to the ISO program.

Operational performance continued to meet all regulatory standards and requirements. The Division's performance was recognized through the receipt of the National Association of Clean Water Agencies (NACWA) Platinum Award for 2008. Since 1986, NACWA has been presenting Gold and Platinum Awards to large wastewater treatment facilities that consistently meet all National Pollutant Discharge Elimination System (NPDES) permit limits during a calendar year. The awards went to the PLWTP for the fifteenth consecutive year, the NCWRP for the eleventh consecutive year, and the SBWRP for the sixth consecutive year.

The internationally recognized ISO 14001 Environmental Management System (EMS) sets goals and objectives which focus on regulatory compliance, pollution prevention, and continual improvement of work activities. All WWTD facilities have obtained certification through the ISO 14001 program since the program inception in 1998. In April 2009, ABS Quality Evaluations, Inc. performed an external ISO 14001 audit and a recertification audit of MOC2, the South Bay Water Reclamation Plant, the Point Loma Wastewater Treatment Plant, the North City Water Reclamation Plant, and the Metropolitan Biosolids Center. ABS also reviewed the facility and division ISO 14001 documents. The WWTD Division successfully renewed its ISO 14001 certification. With ISO 14001 certification, the WWTD Division staff continued to achieve external verification of the high level of service provided to ratepayers.

In FY2009, the following ISO environmental objectives and targets were met:

1. Place more than 90% of each facility's Standard Operating Procedures in an on-line location accessible to staff to improve document accessibility, to improve document control, and to reduce paper use.
2. Reduce recycle paper bin contamination to achieve a greater financial gain from recycling than realized in 2008.
3. Complete, by June 30, 2009, 100% of all required Storm Water Inspections for WWTD facilities using EMPAC scheduling.

Division Goals

WWTD had five divisional goals. The Division met all five goals. The following is a brief description of requirements met to achieve each goal:

Minimize Recordable Injuries: The safety record of the WWTD Division continued to improve in FY2009. There were a total of 19 recordable injuries, compared to the previous fiscal year's total of 34, a

decrease of almost 50%. Division tailgate training continues to focus on safety awareness and injury prevention. Division supervisory staff worked closely with Department safety personnel to improve employee safety, including gaining approval for EEIR funds to purchase new safety equipment. The Department's Injury Review Committee helped identify trends in types and frequency of injuries, address unsafe work practices, and hold employees accountable for repeated, preventable safety failures. Achieving this goal helped significantly reduce the cost of injured workers, including reduction in lost time and Worker's Compensation payments.

Improve Procurement and Warehousing Policies/Procedures: The Division set a goal aimed at improving warehouse policies and procedures, and parts procurement procedures. The Central Support Facility staff worked closely with a warehousing consultant – IBM – to develop recommendations focusing on strategic planning of warehouse services, parts distribution methods, and space requirements. Implementation of the study recommendations started in FY2009 and will continue in FY2010. The study recommendations include, among other recommendations: (1) assessment and disposal of obsolete or rarely used parts, (2) implementation of a cycle counting inventory system, (3) preventive maintenance on warehoused parts, (4) staff training for enhanced understanding of logistics and inventory management, (5) reassessment of reorder points and quantities, and (6) improved forecasting techniques for ordering long lead-time parts. Achieving this goal and implementing the recommendations of the study will save the Division approximately $2.2 million in reduced warehoused parts stocks, meaning that funds are expended when the parts are needed rather than well in advance.

Improve DCS Alarm Management: Historically, there were numerous phantom, nuisance, and unaddressed alarms from the Distributed Control System (DCS) at the WWTD Division facilities. Given the multitude of these alarms, the reliability of system data was adversely impacted. The Division developed a modified alarm management goal after staff failed to achieve a similar goal in FY2008. The new alarm management goal was structured to ensure that accurate alarm reports were easy to generate and that alarms older than seven days would be reduced to 4% of the total on June 30, 2007, i.e. reduced to nine alarms per facility. Achieving this goal improved both the reliability of the control system and the treatment facilities, and it improved employee efficiency by avoiding wasted time investigating false alarms.

Improve ISO Documentation: The Gainsharing Goal specifically aimed to correct deficiencies in ISO documentation. Historically, the audit process had proved cumbersome because supporting documentation, which is maintained by a number of employees, was not available in a central location. Standard Operating Procedures detailing ISO compliant procedures also were not readily available to all staff, nor were these documents adequately controlled and updated. Achieving the ISO documentation goal improved staff efficiency by streamlining the audit process and it increased the probability that plant staff will continuously use ISO approved best practices.

Implement a Prototype Disinfection System at the Point Loma Wastewater Treatment Plant: In response to changes in interpretation of environmental regulations and the potential for altered NPDES permit requirements, the Division instituted a goal to implement partial disinfection at the PLWTP to reduce bacteria populations in the effluent. The system was installed and the necessary laboratory monitoring was put in place. Achieving this goal positioned the Department to quickly respond to anticipated future regulatory requirements for disinfection at Point Loma.

Other Significant Accomplishments

1. Biosolids Management.

   The WWTD Division staff continued the effort to maintain a sustainable biosolids disposal program. The five-year agreement for biosolids services with San Diego Landfill Systems, which commenced on March 14, 2005, provided MWWD reliable disposal methods that target 100 percent beneficial use for the biosolids generated from the wastewater treatment system. The agreement is currently under consideration for another five-year term ending in 2015. The agreement allows the City the right to pursue Class "A" Biosolids disposal alternatives if such alternatives afford the City additional benefits. Therefore, the Division is continuing its study of alternative methods of biosolids disposal. This effort anticipates more restrictions on Class "B" biosolids disposal and the emergence of new technology for Class "A" biosolids treatment. By the end of FY2010, the study will produce a recommendation for a Class "A" treatment technology to ensure the Department is poised to effectively dispose of biosolids well into the future.

   The beneficial use program successfully diverted 99.25% of the biosolids produced to beneficial use in FY2009. The remaining 0.75% was land filled, usually because rain events prevented beneficial use as an alternate daily landfill cover. Beneficially reused biosolids include 17.11% of the biosolids diverted to land application in Arizona, and 82.14% used as alternative daily cover at the Otay Landfill.

2. Maintenance Management.

   Independent of the Gainsharing Program, the Division also conducted an efficiency study to determine if the computerized maintenance management system (EMPAC) is effectively utilized to manage maintenance of critical equipment and assets. Several recommendations of this internal study team have been implemented to remove duplicated process steps in the work order approval and audit processes. Supervisory staff now receive automatic daily reports of past due work orders to allow for better tracking of overdue work and proper justification of cancelled or delayed work.

FY2009 Bid to Goal Program Annual Performance Report
Environmental Monitoring and Technical Services Division (EMTS)

The Environmental Monitoring and Technical Services Division achieved 87.5% of their Gainsharing Goals while continuing to provide all of the services outlined in the statement of work.

EMTS Division had direct responsibility for meeting one of the eight Metropolitan Wastewater Department (MWWD) key performance indicators and played a key support role in several of the others.

EMTS Division successfully maintained its ISO 14001 certification. An independent outside auditor verified the Division's commitment to pollution prevention, regulatory compliance and continual improvement. In so doing, the Division was successful in renewing its ISO 14001 certification. This required ongoing diligence to ensure that the Division followed appropriate regulatory requirements in fulfilling its mission within MWWD; that any potential negative environmental impacts as a result of the EMTS operation were minimized to the extent possible, and to specifically achieve the EMTS Division's objectives and targets. The latter action was to ensure department-wide compliance with storm water regulations, to assess the source of total dissolved solids (TDS) and to support the design of a long term enhanced ocean monitoring plan.

Achievement of MWWD Goals for the Point Loma Wastewater Treatment Plant (PLWTP) Permit Compliance, South Bay Water Reclamation Plant (SBWRP) Permit Compliance, and North City Water Reclamation Plant (NCWRP) Permit Compliance were directly influenced by the EMTS Division. In its role as regulatory liaison and providing laboratory support, EMTS Division staff carried out the process control analyses to provide the plant operations personnel with information necessary to assess plant performance and to make the necessary process changes to ensure permit compliance. EMTS Division also performs the permit-required monitoring and provides reports to the regulatory agencies, thus documenting that the facilities meet all of their discharge permit requirements. In order to accomplish this, over 268,000 individual analyses were performed and more than 215 reports were submitted.

Division Goals

EMTS Division had four divisional goals and one goal shared with two other divisions. The Division met four goals and received partial credit on one goal. The following is a brief description of requirements met to achieve each goal.

Minimize Recordable Injuries: This goal was not fully achieved, earning partial credit of 37.5% for the year. This goal had both quarterly and annual milestones. One half of the goal was based on achieving ≤2 recordable injuries per quarter (12.5% credit each quarter). The second 50% was attained by having <6 recordable injuries for the year. The quarterly goals were attained in the first, third and fourth quarters for an accumulated credit of 37.5%, but the second quarter's three recordable injuries did not meet the criteria and no credit was earned. The annual total recordable injuries was eight, exceeding the criteria of <6, resulting in no credit for another 50% of the goal.

Conduct a study to identify and characterize self-regenerating water softeners (SRWSs) and quantify the associated pounds of NaCl or KCl added per day that could potentially be reduced through use of alternative technologies: This goal was met by completion of an extensive survey of 458 industrial facilities listed as of July 1, 2008 in the PIMS database as tributary to the SBWRP or the NCWRP. The survey study identified and characterized self- regenerating water softeners in use and quantified the

associated pounds of salt (sodium chloride or potassium chloride) added per day. The study included an evaluation of the impacts of limits or prohibitions on SRWSs on TDS loading and concentrations at the SBWRP and NCWRP. The final report was approved by the EMTS Deputy Director on June 30, 2009.

Support implementation of a prototype partial disinfection system at the PLWWT: This goal was accomplished by applying for and receiving approval from the Regional Water Quality Control Board (RWQCB) for the installation and operation of a prototype effluent partial disinfection system at the Point Loma Wastewater Treatment Plant. The prototype system was installed and operational testing began in September 2008. The prototype system feeds sodium hypochlorite on a flow-controlled rate to enable measured dosing of chlorine into the effluent channel. Chlorine monitoring was included in the NPDES Permit change order and is conducted at least 4-times per day. Bacteriologic studies were initiated to measure pre- and post-chlorination bacteria concentrations. After an initial startup and calibration, the system has been in continuous operation since October 2008.

Provide Major Required Monitoring Reports to the San Diego Regional Water Quality Control Board (SDRWQCB) in Electronic Formats: This goal was accomplished by providing the RWQCB full copies of the periodic (e.g. monthly, quarterly, annual) reports as PDF (portable document format) files on CD (Compact Disk) as attachments to the letters of submission. All major reports required by permit to the RWQCB were submitted in electronic format by January 2009. The process is now an institutionalized part of the routine reporting process. Major Reports include all periodic NPDES (National Pollutant Discharge Elimination System) and other waste discharge permit required reports for each of the major treatment plants in the Metro System including Self Monitoring Reports for Influent and Effluent as well as the Receiving Water/Ocean Outfall Monitoring Program Reports.

Implement Part I of Enhanced Ocean Monitoring Program – Pt. Loma Ocean Outfall Plume Behavior Study: This goal was accomplished by several events, including the following. The City received grant funding from the National Oceanographic and Atmospheric Administration (NOAA) for $803,000 on September 2, 2008. Scripps Institute of Oceanography (SIO) was selected as the consultant agency on a sole source basis on January 27, 2008. The project work plan was developed jointly by SIO and City staff and submitted to the Department on January 28, 2009. Project progress reports were submitted electronically to NOAA on schedule. Council Action routing was initiated on May 15, 2009 and docketed for NR&C for June 24, 2009. The Deputy Director accepted the project report and approved the Statement of Completion on June 30, 2009.

Other Significant Accomplishments

1. Point Loma Wastewater Treatment Plant Modified Permit Renewal.

   The process for the renewal of the 301(h) Modified NPDES permit for the Point Loma Wastewater Treatment Plant continued to demand significant staff time. The EMTS Division prepared a responsive application to the Regional Water Quality Control Board (RWQCB) and the US Environmental Protection Agency (USEPA) to renew the waiver from secondary treatment. Following strict federal guidelines, this highly technical document details all current wastewater operations, future planning assumptions and is a complete review of the quality of the discharge from Point Loma and its interrelationship with the ocean environment. The renewal application document contains over two thousand pages in eight volumes. The document was found to be complete and responsive by the regulatory agencies. In response to the application the USEPA has now tentatively approved the renewal of the waiver pending

the results of a public review process. The Waiver saves local wastewater ratepayers up to $1.5 billion dollars in capital costs and $30 to 40 million dollars per year in operating costs by not having to provide additional treatment at the PLWTP. The hearing processes at both the RWQCB and the USEPA required responding to additional requests for information and data as well as presentations and public testimony. Developing presentations, responding to requests for information and coordinating the wide-ranging experts continued to demand significant effort and diversion of staff time from routine core work. Preparing for the Consistency Determination hearing at the California Coastal Commission was an additional significant undertaking, requiring additional information and preparation customized to their unique needs. Due to a variety of unanticipated delays and complexities with the various agencies review processes, the permit renewal remains incomplete.

2. Sewer Science Program.

   This program was initiated last year, in conjunction with the annual Water Environmental Research Foundation Technical Conference that was held in San Diego. EMTS Division participated in a program to educate local science teachers about the technical aspects of wastewater treatment so that these teachers can take the information back to their classrooms and share it with their students. By so doing, the public will become better informed of the benefits and challenges that the City of San Diego faces in dealing with municipal wastewater operations and issues. This program has continued to grow and EMTS staff has assisted several local high schools in conducting the week-long Sewer Science Program in their classrooms. The students have also included their learning and program materials in a number of demonstration fairs for the school and parents.

Division Challenges

Although unforeseen events such as the prolonged permit renewal process and continuing organizational changes involved in merging Water and Wastewater Departments into the new Public Utilities Department impacted the EMTS Division workload during fiscal year 2009, enough flexibility existed to accomplish the needed work, in some cases this was done by continuing to defer work that will need to be caught up at a future date. The extraordinary and severe fiscal constraints in the City budget had impacts on staffing in ETMS, i.e. increasing vacancies rates. Vacancies in several key positions caused further deferral of work and business improvements. However, regulatory mandated tasks were accomplished at all times by using overtime where necessary. For the most part, however, the assumptions made in developing the Most Efficient Organization (MEO) for EMTS Division were found to be correct and reflective of the resources needed to accomplish the anticipated work. The EMTS Division was able the stay within budget and accomplish its mission.

In the future, the deferred work from last fiscal year due to unforeseen circumstances will be caught up by the continued judicious use of overtime and taking advantage of the flexibility that exists in addressing some of the regulatory required work, as well as internal administrative tasks. This will allow the division to continue to ensure a high degree of regulatory compliance while working within the established MEO. Additionally, future unforeseen circumstances may well include the still unknown level of effort that will be required in response to the USEPA's tentative decision on the Waiver Renewal Application. And, as always, future regulatory changes that require an additional level of effort to comply with, may impact the allocation of EMTS Division's resources.

FY2009 Bid to Goal Program Annual Performance Report
Engineering and Program Management (EPM) Division

The Engineering and Program Management Division achieved 87.5% of their Gainsharing Goals while continuing to provide all of the services outlined in the statement of work.

As one of the technical support divisions for the Department, the EPM Division played a key role in support of the several of the Metropolitan Wastewater Department key performance measures. EPM performed the following tasks, required in the Final Consent Decree with the Environmental Protection Agency, in support of the overall goal to reduce sewer spills:

- Completed 48 miles of CCTV inspection of sewers and completed 40 miles of condition assessment analysis to determine which sewers require replacement, rehabilitation or maintenance. Those sewers requiring replacement or rehabilitation are packaged for future CIP projects.

- Analyzed 278 miles of sewers mains in the system and prioritizes them as critical, semi-critical or non-critical according to flow monitoring and modeling results. Sewer mains identified as critical or semi-critical are studied further to determine the appropriate action to ensure capacity is available for current and future needs.

Division Goals

EPM had four divisional goals and one shared goal. The Division met four goals and received partial credit on one goal. The following is a brief description of requirements met to achieve each goal.

Minimize Recordable Injuries: This goal was shared with EMTS and AS and was not fully achieved (37.5%). A discussion of this goal is included in the EMTS section.

Canyon Maintenance Path Inventory: The Environmental Section met their goal by mapping and inventorying approximately seventy (70) miles of existing sewer access paths within environmentally sensitive lands using GPS methods. The paths are used by WWC crews to access manholes and sewer infrastructure located within 35 canyons - in environmentally sensitive lands (ESL). The goal of the GPS information collection effort was to assist the crews with access in areas which experience erosion and vegetative growth, which can impact access. The Environmental Section developed a data dictionary to collect GPS data on existing access paths in order to track the accessibility of manholes in canyons and other environmentally sensitive areas that are accessible by vehicles or by foot access only. Progress on the inventory will assist WWC crews in accessing areas that are a priority for WWC and quantifying the types and miles of access paths in canyon areas throughout San Diego to assist in the overall planning for path maintenance and access.

Complete 90% of Sewer Study Reviews within established turnaround times: The Wastewater Development Review Section completed 305 discretionary reviews, including 90 initial reviews, 156 re-submittals and 59 preliminary reviews. This compares to 414 reviews in FY2008. This section met the Development Services Customer service goal of completing initial reviews in 25 working days and re-submittals in 15 working days, 90% of the time.

Complete 27 Sewer Modeling, Flow Monitoring, and Flow Projection related studies: The Sewer Modeling Section met its goal of completing 27 studies. Some of the highlights were the completion of the Annual Trunk Sewer Capacity Report, Participating Agencies' Contract Capacity & CIP Cost Sharing Analysis, eight trunk sewer modeling studies, and three inflow and infiltration studies.

Condition Assessment of Municipal Pump Stations: In FY2008, the EPM Division prepared a Condition Assessment Plan to develop a program for inspecting all Metro Interceptors and outfalls and 20% of the equipment and assets at the treatment plants and pump stations, with the goal to implement the program starting in FY2009. In FY2009, the EPM Condition Assessment Section met their goal by developing a detailed procedure for Municipal Sewer Pump Station Inspection and Assessment and completing the condition assessment of 18 municipal pump stations. Based on condition assessment findings, the section was responsible for identifying Capital Improvement and major repair projects.

Other Significant Accomplishments

1. Energy Management.

   The Energy Section under took and successfully completed numerous activities including:

   - Completed and submitted the Department's first mandatory reporting of green house gases produced by the PLWTP to the California Air Resources Board.

   - Phase 1 of the California Center for Sustainable Energy (CCSE) contract for energy conservation projects at PS2 and the EMTS was completed at a cost of $260,000. With the $80,000 SDG&E incentive, the simple payback on these projects is expected to be less than two years. Phase 2 of the CCSE contract for energy conservation projects at MOC, SBWRP and the NCWRP was approved for $735,500. Construction is scheduled to start in November 2009 with target completion date at the end of the year. With the $53,000 incentive from SDG&E, the payback for Phase 2 is expected to be six years.

   - Negotiation with SDG&E to provide $1,040,000 in grants over the next three calendar years to support the Department's Energy Section personnel and non- personal expenses associated with the Energy Section's Wastewater Branch energy conservation projects and energy data management.

2. Environmental Management.

   The Environmental Section is responsible for biological restoration or mitigation resulting from departmental operations. During FY2009, they received sign-off by Development Services for nine (9) Re-vegetation/Restoration Projects which required completing 25 months of effective erosion control, revegetation and/or native habitat restoration for areas disturbed as part of the Canyon Sewer Cleaning Program (CSCP); they received sign-off by regulatory permitting agencies for the Los Penasquitos Oak Tree and San Dieguito Mitigation Projects, successfully completing the long-term monitoring and maintenance of habitat mitigation sites used for compensatory mitigation credit, associated with impacts to habitats in ESL as a result of the CSCP; successfully completed the installation of two additional mitigation revegetation projects; and completion of two conceptual mitigation plans and received regulatory approval for two new mitigation projects.

The Environmental Section also began the implementation of the Long Term Access (LTA) Program to provide safe and on-going access for WWC crews to maintain and repair sewer infrastructure in local, environmentally sensitive canyons. They implemented the design of two LTA projects; acquired easements for two other LTA projects; revised the Standard Drawings to include access path requirements; and completed constructability reviews for future LTA projects within 15 canyons.

Division Challenges

FY2009 was a transitional year for the EPM Division as the Metropolitan Wastewater Department merged with Water Department. Water Modeling, GIS/Water 10% Design Reports, and County Water Authority Agreement functions were transferred into EPM while Long Range Planning function was transferred out. The actual physical transition took place in last quarter of FY2009

Wastewater Collection Division achieved 60% of their Gainsharing Goals while continuing to provide all of the services outlined in the statement of work.

WWC had direct responsibility for meeting two of the eight Metropolitan Wastewater Department (MWWD) key performance indicators. The first performance indicator pertained to Sanitary Sewer Overflows (SSO): Number of SSOs per 100 miles of main; with the goal for FY2009 to improve upon the FY2008 total. This goal was met as there were 57 SSO's in FY2009 compared to 69 SSO's in FY2008, or 1.91 spills per 100 miles in FY 2009 vs. 2.45 SSO's per 100 miles in FY2008. This reduction in spills continues the downward trend from calendar year 2000 when there were 365 SSO's.

WWC successfully maintained its ISO 140001 Certification. Regular internal and external audits of our Environmental Management System supported this goal.

Division Goals

WWC Division had five divisional goals. The Division met 3 of its five goals. The following is a brief description of requirements met to achieve each goal:

Manage Construction Section activities to improve performance (Q/F) to complete an average 80 sewer main/lateral construction repair and replacement activities per month or more while achieving a lineal footage average of 10 lineal feet or more per activity: This goal was not met. While the Construction Section was able to achieve a minimum of 80 pipe/lateral construction repair activities per month for each quarter (average per quarter was 82 repair and replacement activities), they fell short in three of the four quarters in meeting the lineal footage average of 10 lineal feet or more per activity. It should be noted that Construction Section averaged 9.8 lineal feet for the four quarters. Not achieving the lineal footage average can be explained in that each repair is contingent upon the extent of the structural damage of the sewer and lateral found at the time of the repair. It should be noted that the FY2009 performance and activity for the Construction Section was significantly improved from FY2008, when the average per quarter was 70.75 construction activities per month.

Manage Main Cleaning section activities to clean Gravity Sewer pipe so that less than 69 Sanitary Sewer Overflows (SSO) occur in fiscal year 2009: This Performance Goal was to improve upon the FY2008 total. This goal was achieved – there were 57 SSO's in FY2009 compared to the total of 69 SSO's in FY2008. Attaining this goal can be attributed to crews better utilizing new cleaning tools, ongoing internal and supplemental training by an outside consultant emphasizing better proofing techniques by cleaning crews, more emphasis on GPS based quality assurance activities, the use of Closed Circuit Televising (CCTV) to verify the cleaning findings and better documentation and verification of work performed, and improved coordination between the Main Cleaning Section and the Planning Scheduling Section. Going forward, WWC will continue to focus on proofing techniques, ongoing training and make efforts to continually refine quality assurance procedures and documentation.

Manage WWCD Labor Activities to reduce overtime costs (Q/FY) to reduce the ratio of Straight Overtime Hours to Total Hours worked within each section to 15% or less within each work section: The work sections consist of Administration; Main Cleaning; Construction; Planning and Scheduling;

Food Establishment Wastewater Discharge (FEWD); Engineering; and Sewer Pump Stations Operations and Inspection. This goal was not achieved. It is noted that while the Division as a whole significantly reduced its vacancy rate from FY2008 to FY2009, the Construction and Main Cleaning Sections continued to have a significant number of vacancies (12 to 14%) in the Utility Worker I classification due to a hold on filling these positions. These two sections were unable to meet the goal. The remaining sections in WWC were able to meet the overtime goal criteria for each quarter with a range of 0.4% to 9.7%.

Secure a total of 600 manholes, an average of 50 manholes per month, to comply with the Final Consent Decree Requirements: This goal was met as 601 manholes were secured. WWC began securing manholes in 2004 per the Partial Consent Decree, based on a list of 5,800 specific manholes identified by an outside consultant (HDR). The Final Consent Decree called for these manholes to be secured prior to the termination of the Decree in 2013. To date, over 5,000 of the identified manholes have been secured. During FY2009 crews were slowed down as difficult to access manholes were secured and other manholes on the list were deemed not to require securing. WWC is working to identify additional manholes that require being secured but were not on the original list. The Division's Operations and Policy Manual was updated to reflect ongoing procedures for inspecting manholes. In order to assess the condition of the secured manholes, all secured manholes shall be opened and inspected every year and the Planning Scheduling Section shall be responsible for maintaining an updated file listing the location of all secured manholes, their condition and inspection history ensuring that inspections are conducted on a regular basis.

Minimize Recordable Injuries: The specified criterion was to reduce injuries by having fewer than 11 recordable injuries per quarter and less than 44 injuries for the fiscal year. The goal was met for each quarter and the total injury count was 34 recordable injuries. This was an improvement from FY2008, when WWC had 36 recordable injuries. This improvement can be attributed in part to more intensive tailgate training which emphasized proper techniques and safeguards for a safer work environment. Improved documentation and follow-up with the employees also played a pivotal role in the reduction of injuries.

Other Significant Accomplishments

Some significant Planned Initiatives or Improvements as per section 3.3.1. of the Bid document were successfully implemented, while others saw less progress. Successes include the continued overall sewer cleaning quality by better utilization of newly purchased cleaning tools, by emphasizing proofing techniques of sewer pipes cleaned, through internal and outside consultant training, better utilization of GPS based quality assurance activities and by the implementation of Mobile Data Units in the Right of Way Main Cleaning Section which downloads data directly into PSTOOLS Data Base. Continued use of CCTV to verify pipe cleaned on a one and three month frequency allowed for feedback to cleaning crews and management, and provided critical information to Planning and Scheduling staff. Progress was made in reducing cleaning requirements in low risk areas thereby reducing work order backlog and increasing better utilization of personnel in a more productive and efficient manner. There was continued improvement in the Non-right-of Way (NROW) or Canyon Section as GPS points for manholes inspected is now downloaded directly into the PSTOOLS Data Base. Planned initiatives or improvements that experienced less progress include the initiatives for greater flexibility between work units, improving the use of management tools to increase sewer repair productivity, optimization of the pump station maintenance program, and reviewing the organizational design of sewer acceptance, warranty, and repair/replacement decision making and

modification to increase coordination. Both the Construction Sections and the Sewer Pump Stations and Operations Section are studying their respective operating procedures and the planning and scheduling of their work activities in order to attain improved productivity in FY2010.

FY 2009 Bid to Goal Program Annual Performance Report
Administrative Services (AS) Division

The Administrative Services Division achieved 59.4% of their Gainsharing Goals while continuing to provide all of the services outlined in the statement of work.

The eight Department-wide key performance goals are directly related to the business of wastewater containment, transport and treatment. The success of the department's operations is dependent on the quality of its support services, including:

1. Timely, relevant and fair employee selection practices that enable operations to maintain adequate staffing levels;
2. Procurement of goods and services through well-constructed contracts that enable operations to obtain needed supplies and contractual expertise;
3. Meeting operations' budgetary needs through thoughtful budget development that includes input from operations management and personnel;
4. Development and maintenance of a rate structure that ensures sufficient revenues to fund operations; and
5. Provision of appropriate training and safe business practices to ensure the competence, safety and well-being of operations personnel.

These and other support services provided by AS Division have a direct impact on the operations divisions' success in meeting their goals and in providing quality wastewater services to the public.

Division Goals

For FY2009, AS had five divisional goals, which included a shared goal. The Division met two goals, received partial credit for one goal and was granted administrative relief for one goal. The following is a brief description of requirements met to achieve each goal:

Minimize Recordable Injuries: This goal was shared with EMTS and EPM and was not fully achieved (37.5%). A discussion of this goal is included in the EMTS section.

Consolidation of Water and Wastewater Departments: During the course of the fiscal year, the Strategic Support Services Section spearheaded the consolidation in a number of ways, including the implementation of six teambuilding workshops for impacted work groups. These sessions included the development of a shared mission and/or vision statement, shared goals, and clarification of roles and responsibilities. This goal was met 100%.

Development of a Leadership Development Program: As a continuous effort to develop and improvethe skills of employees in the Department, the possibility of a Leadership Development Program (LDP) was analyzed in FY2009. Activities surrounding the analysis included: (1) a benchmarking study with other City of San Diego Departments and other public agencies to determine best-in-class elements that should be included within a LDP; (2) conducted a cost-benefit analysis of designing and delivering the program via internal staff or via contracting; (3) a Leadership Skills Needs Assessment identified top deliverables and skill sets for inclusion in the program; and (4) concluded with the development of a Leadership Development Plan, including an implementation timeline. This goal was met 100%.

Safety Awards Program: The Safety section conducted a benchmarking study and drafted a Safety Awards Program during FY2009 as part of a goal to bring a safety incentive program to the Department. After multiple drafts, request for additional information and data, and meetings with Department management a final draft was not agreed on and this goal was not met as the final deliverable was not achieved. This goal was carried into FY2010 in try to develop a Public Utilities Safety Award Program for the entire consolidated utility.

Effective OneSD (ERP) Implementation: The first phase of the SAP system came on line on July 1, 2009. Key Administrative Services staff participated in countless meetings and trainings to insure that the system transition would happen as seamlessly as possible, and that all of our IT systems and programs that interfaced with legacy systems would be transitioned to the new SAP. All financial, procurement and human resources staff have been or will be trained and transitioned into new technology systems during FY2009 and FY2010. Administrative relief was granted for the goal regarding D.I. development due to the implementation of SAP occurring later than anticipated Citywide. D.I. development impacted by the transition to SAP will be occurring in FY2010.

Other Significant Accomplishments

The following initiatives and accomplishments were achieved by the Administrative Services Division in FY2009:

- **Creation of an Internal Controls (IC) Program** – The IC Program did not exist in FY2009. Through the addition of a newly hired Program Manager position and the transfer of existing staff into a four member team, the Public Utilities Department is poised to have adequate resources to insure that both Utilities operate with effective checks and balances and that appropriate accountability measures and control points are in use for FY2010 and beyond.

- **Independent Rates Oversight Committee Support (IROC)** - In its second year of existence, staff supported the IROC with financial and performance reports, technical and engineering information, the Dedicated Reserve for Efficiency and Savings (DRES), and general meeting and reporting support.

- **IT** – IT was the first section to develop and implement a formal plan to consolidate the services of the former Water and Wastewater Training Sections and form the new Public Utilities IT Section. One of the goals of the new section was to assist with the successful deployment of the SAP system. The IT section was instrumental in ensuring all utility systems that interfaced with legacy system were modified, that hardware in the utility was compatible, and testing was complete. The SAP system was successfully deployed in the Public Utilities on July 1, 2009.

- **Training** – During the latter part of FY2008 and continuing into FY2009 the Training Section developed and implemented a formal plan to consolidate the services of the former Water and Wastewater Training Sections and form the new Public Utilities Training Section. One of the goals of the new section, which was achieved, was the provision of a higher level of training and training related services to all employees in the Public Utilities Department. Training Metrics were developed for all branches of the Public Utilities Department and are used to benchmark training services both internally and externally. A Wastewater Core Curriculum, similar to the Water Academy Core Curriculum was reviewed and will be created for FY2011, the Training section was heavily involved the training of employees in the new SAP financial system, and

newly consolidated courses are rolled out on a regular basis. In addition, the Utility adopted a policy to ensure all supervisors receive eight essential supervisory classes within two years of becoming a supervisor or coming to the utility as a supervisor.

- **Safety** – In FY2009 the Safety Section developed and implemented a formal plan to consolidate the services of the former Water and Wastewater Safety Sections and form the new Public Utility Safety Section. The Safety Section provides safety, security and emergency management operations support to the operations and maintenance functions of the Public Utilities Department for treatment plants, distribution system, labs, and office spaces.

- **Strategic Planning** – With centralization of services, transitioning leadership, doubling of the workforce many new challenges and opportunities face the Public Utilities Department. Strategic alignment is most critical during periods of major change. Utilizing existing business plans allows continuity throughout the transition. The Strategic Support Services Section spearheaded the consolidation in a number of ways including teambuilding efforts for impacted groups, including the development of a shared mission and/or vision statement, shared goals, and clarification of roles and responsibilities. In addition, this section continued to manage the Strategic Initiatives for the newly consolidated Public Utilities and assisted in bringing the two management teams together by holding various structured consensus building meetings.

- **Human Resources** – The Human Resources Sections of the Water and Wastewater Departments worked together to plan how to optimize Employee and Management Support Services across the emerging Public Utilities Department. Internal and external benchmarking and staffing analyses revealed that a functional split of HR services could be of great benefit to the new large department. This new HR model began implementation and will continue to be rolled out in FY10.

- **Contracts** – The Contracts staff developed an internal Compliance Review Procedure as a method for implementing compliance reviews to insure that the Department is receiving the full benefits of its contracts. This set the stage for the staff to be able to undertake six contract compliance reviews in FY10.

- **Bid to Goal Program** – The Wastewater Bid to Goal (B2G) program administration was coordinated by staff from the Strategic Support Team, the Internal Controls Team and various staff from the operating Divisions. This year was particularly challenging as staff raised the level of accountability and reporting, and staff began the process of bringing Water Department staff together with the Wastewater B2G program administration team to insure program consistency between the two Utilities.

- **Financing Issues** - The Wastewater Fund issued two bonds totaling over $1B dollars. This was the first time the Wastewater Fund entered the market since 1999. The refunding portion of the bonds will have a net present value savings of over $41M dollars to rate payers.

  The Wastewater Fund continues to apply for and attain State Revolving Fund (SRF) loans. In November 2009, we received Council approval to execute a $46M dollar SRF loan for the Metro system. By executing this low interest loan with the State as opposed to issuing bonds, the Wastewater Fund will save approximately $20M over 20 years.

Division Challenges:

FY2009 was a challenging year for the Administrative Services Division for two primary reasons:

1. The Wastewater Department and the Water Department were consolidated into the Public Utilities Department. The Business Support Divisions, including Administrative Services, were the first to merge into consolidated work groups. The effective date was July 1, 2009, which meant that extensive planning, personnel reporting changes and assignment changes took place during FY2009; and

2. The implementation of a new Citywide Enterprise Resource Planning system known as SAP began on July 1, 2009. Staff was tasked with considerable planning, development and training in FY2009.

Asset Management and Equipment Maintenance Fund Expenditures

The Asset Management and Equipment fund is used to fund maintenance and/or rebuilding of critical equipment that would otherwise be difficult to budget in an annual cycle. Such expenditures may include engine/generator rebuilding, critical pump replacement, and digester cleanings.

The fund balance at the beginning of FY2009 was $2,454,334. After the annual deposit into the fund of $4,000,000, and expenditures from the fund of $1,192,465, the balance at the end of FY2009 was $5,261,869. Major expenditures from the fund in FY2009 include a natural gas engine overhaul at PS 2 ($420,000), a wastewater pump motor overhaul at PS 2 ($42,400), three influent screen overhauls at the PLTWP ($91,500), four sludge pump overhauls at the PLWTP ($216,200), and an odor control fan replacement at MBC ($35,000). Overall, 36 assets were maintained or replaced with Asset Management Equipment Replacement funds in FY2009.

Anticipated future expenditures will include fund digester cleanings at the PLWTP for approximately $3.5 million.

Savings to Ratepayers

Ultimately, the Bid to Goal Program is designed to optimize operational efficiencies and create savings for the ratepayers. Funding will only be deposited into the Employee Efficiency Incentive Reserve (EEIR) and made available for incentive payments or other items that will benefit the Public Utilities to employees if there are operational in-scope savings. Savings are split equally between direct savings to the fund balance for ratepayer benefit and the EEIR. There is a cap of $10 million that can be put into the EEIR annually.

The Bid to Goal Program was first implemented in FY1998. From FY1998 through FY2009, the estimated cumulative savings to the Ratepayers is $101,651,656. On average, over the twelve year period, savings from the Bid to Goal Program have resulted in offsets to Wastewater rate increases equal to 4.37% annually during this period.

Employee Efficiency Incentive Reserve (EEIR)

The EEIR balance started at $10 million based on the FY2008 audited savings achieved. During FY2009, the Labor Management Committee (LMC) recommended, and the Director authorized, to make incentive payments to employees based on the performance results up to the cap of $4,000 net per employee. This resulted in an estimated total expense of approximately $4.008 million. Since this was the first year of the program no other approvals for funding expenditures were recommended until FY2010. Thus far, in FY2010 several projects were recommended by the LMC and approved by the Director for a total amount of $156,256. Some of these projects were to provide funds to assist with the development of a Utilities Leadership Development Program, to purchase a mercury analyzer and a GPS Current Interrupter Upgrade.

See **Appendix D** for a summary of the EEIR.

Prior Year Audit Findings Status Report

Starting in FY2008, the B2G program was modified from two separate divisional based programs into one department-wide program. The FY2008 independent audit report focused on three elements; restatement of savings per the audited final values and instituting process improvements to monitor out-of-scope expenses, the timely closure of encumbrances and methods for the review and approval of the savings calculation schedule as well as the goal attainment support and an improved goal development process.

As is the case in all years, savings deposits to the Employee Efficiency Incentive Reserve (EEIR) are strictly based on audited values provided by the independent auditor. The primary purpose of the audit is to determine conclusively the savings amount and goal achievement percentages.

For the fiscal year ending June 30, 2008, minimal adjustments were necessary to restate the savings calculations for the program to a per audit condition. The savings calculation was adjusted as per the FY2008 audit recommendation and appropriately distributed. The audits resulted in no required adjustments to the goal achievements percentages.

Process improvements were recommended as a means of minimizing potential errors in reporting savings and goal attainment, in addition, to the development of well defined measurable goals. A centralized administrative approach has been introduced as part of implementing the FY2008 department-wide B2G program. The centralized administrative approach included the development of new tools and procedures to standardize gathering, scheduling, reviewing, approving and reporting accurate savings and goal attainment data. The centralized administrative team has a responsibility to continually pursue process improvements throughout any given B2G cycle. During the FY2009 and FY2010 cycles, significant improvement in the goal development process has successfully been implemented.

The Wastewater Enterprise Fund has one outstanding issue yet to be resolved. The auditors recommended amending the Memorandum of Understanding to explicitly outline the proper treatment of the Director's Contingency Reserve. Management has discussed the matter and is committed to executing the proper steps necessary to implement this change.

Conclusion

The Wastewater Enterprise Fund, in accordance with the audit recommendations, has fully adjusted the savings calculation and changed administrative processes, necessary to implement all the recommendations, other than the Director's Contingency Reserve, found in the FY2008 report.

Appendix A

Department-wide Key Performance Service Levels – FY09

Key Performance Metrics	Performance Goal	FY 2009 Performance (through Q4)
Sanitary Sewer Overflows: Number of SSOs per 100 miles of Main	FY 2009 to improve upon FY 2008 total (< 2.3 spills per 100 miles for 2991 miles of pipe). FY 2008 (69 spills, 3018 miles of pipe; 2.3 spills per 100 miles)	1.9 spills per 100 miles of pipe – based on 57 spills for 2,991 miles of pipe
Point Loma Wastewater Treatment Plant Permit Compliance:	≥80% TSS Removal (annual average), ≥58% BOD Removal (annual average)	TSS (Systemwide): 90.1% BOD (Systemwide): 67.7%
North City Water Reclamation Plant Permit Compliance:	≤30 mg/L BOD and TSS for 30-day avg., ≤45 mg/L BOD and TSS for daily max	TSS 30 day average Max: 0.5 mg/L BOD 30 day average Max: 0.6 mg/L TSS daily Max: 4.8 mg/L BOD daily Max: 11.5 mg/L
South Bay Water Reclamation Plant Permit Compliance (Reclaimed Water Permit):	≤30 mg/L BOD and TSS for 30-day avg., ≤45 mg/L BOD and TSS for daily max	Reclaimed water: TSS 30 day average Max: 4.8 mg/L BOD 30 day average Max: 2.6 mg/L TSS daily Max: 13.2 mg/L BOD daily Max: 13.5 mg/L
South Bay Water Reclamation Plant Permit Compliance (NPDES Permit): [1]	≤30 mg/L BOD and TSS for monthly avg. (calendar month), ≤45 mg/L BOD and TSS for weekly avg.	Effluent to Ocean Outfall: TSS monthly average Max: 19.7 mg/L BOD monthly average Max: 50.5 mg/L [1] TSS weekly average Max: 44.3 mg/L BOD weekly average Max: 124.4 mg/L[1]
Metro Biosolids Center Performance:	Maintain cake solids percent between 28% and 32% average by day.	28.6% FY average by day
ISO 140001 Certification for Wastewater Collection Division:	Retain certification	Certified through December 11, 2009
ISO 140001 Certification for Wastewater Treatment and Disposal Division:	Retain certification	Certified through May 27, 2011
ISO 140001 Certification for Environmental Monitoring and Technical Services Division:	Retain certification	Certified through June 2, 2011

[1] Administrative Relief granted per the August 6, 2010 Memorandum.

Metropolitan Wastewater Department
Wastewater Treatment and Disposal Division
Goal Summary Table FY 2009

1) Every Quarter Enter:
Y = Yes, N = No, P = Partial credit for Quarterly Goals,
Or J = Goal in Jeopardy (Year End Only)
2) Add % Complete if applicable.
3) M= Monthly, FY= Fiscal Year, Q= Quarterly

Comments
- Specify actual numerical values for all goals.
- Provide circumstances / plan of corrective action for all goals in jeopardy.
- Provide & save information from each quarter.

Goals	Q1	Q2	Q3	Q4	Year End	Comments

1. Minimize Recordable Injuries (Q/FY)
• Achievement of each Quarter will be based upon the following index:
  • ≤ 7 Recordable Injuries per Quarter
  • 12.5 % credit will be give for each Quarter met.
  • Possible total = 50%
• < 28 Recordable Injuries for the fiscal year = 50%
	Y	Y	Y	Y	Y
					100%
						Q1: Five Recordable Injuries
						Q2: Six Recordable Injuries
						Q3: Six Recordable Injuries
						Q4: Two Recordable Injuries

2. Improve Procurement and Warehousing Policies and Procedures (Q/FY) • Hire consultant for Warehousing recommendations by 11/30/08 (Q2). • Review of Consultant's report on Warehousing recommendations complete and signed off by WTD DD by 3/15/09 (Q3) • Staff will work with consultant to develop recommendations and specify an implementation plan for those recommendations by 6/15/09 (Q4).	Y	Y	Y	Y	Y 100%	Q1: One target to hire a consultant by 11/30/08 Q2: Consultant on board prior 11/30/08 Q3: WTD DD sign off completed Q4: WTD DD sign off on implementation plan

Goals	1) Every Quarter Enter: Y = Yes, N = No, P = Partial credit for Quarterly Goals, Or J = Goal in Jeopardy (Year End Only) 2) Add % Complete if applicable. 3) M= Monthly, FY= Fiscal Year, Q= Quarterly					Comments ▪ Specify actual numerical values for all goals. ▪ Provide circumstances / plan of corrective action for all goals in jeopardy. ▪ Provide & save information from each quarter.
	Q1	Q2	Q3	Q4	Year End	
3. DCS Alarm Management (Q/FY)[1] • Reduction in number of stale and nuisance alarms. By June 30th 2009 each facility's total count of alarms older than 7 days will = (June 30th 2007 total) x (0.20)/ 5 or fewer • Each facility to provide detailed monthly reports, quarterly, describing actions taken to correct, modify or adjust alarms, outlining current status of stale alarms (alarms ≥ then 7 days.).	Y 100%	Y 100	Y 100%	Y 100%	Y 100%	Q1: Part 1(FY) & 2 (Q) on track; some technical problems generating initial monthly reports for all Facilities by SDDPC and COMNET is now resolved; Q2: Monthly reports in new on line DCS Alarm Manager Q3: Monthly reports have been provided, DCS Alarm Manager and change request systems are running. Q4: Using the formula in the gain sharing goal, 221*0.2 = 44.2. Therefore, 44.2 / 5 = 8.84 or nine (9) alarms greater or equal to seven days without tracking per facility. Each facility listed has well below nine (9) alarms greater or equal to seven days without tracking. Therefore each facility met is goal to reduce the number of stale and nuisance alarms. Meeting notes to show that each plant held at least one meeting per month per the performance goal.
4. ISO Documentation (Q/FY) • Identify internal and external documents that need to be controlled, develop procedures for future updates to controlled documents by 6/1/09 (Q4) • Develop a schedule for rewriting/updating policies/SOPs by 12/31/08 (Q2) • Implement online storage of the documents consistent with the ISO standard such that printed documents will be appropriately marked by 6/1/09 (Q4)	Y	Y	Y	Y	Y 100%	Q1: ISO Coordinators agreed to different locations for levels (1&2) and (3 &4); review schedule and procedure on track for 12/31/08 completion Q2: Level 1&2 online SOPs on track Q3: 100% of ISO's EMP and DD-SEOP documents are updated and posted online at metronet. Level 1&2 online SOPs on track and are posted on G:\ drive Q4: 100% of ISO's EMP and DD-SEOP documents are updated and posted online at metronet. Level 1& 2 online SOPs are completed and are posted on G:\ drive

[1] Goal Adjustment made 11/12/08 to count all pump station as one facility, for a total of five facilities for calculation of goal achievement.

Goals	1) Every Quarter Enter: Y = Yes, N = No, P = Partial credit for Quarterly Goals, Or J = Goal in Jeopardy (Year End Only) 2) Add % Complete if applicable. 3) M= Monthly, FY= Fiscal Year, Q= Quarterly					Comments ▪ Specify actual numerical values for all goals. ▪ Provide circumstances / plan of corrective action for all goals in jeopardy. ▪ Provide & save information from each quarter.
	Q1	Q2	Q3	Q4	Year End	
5. Implement a Prototype Partial Disinfection System at the PLWWTP • WWT&D will install and operate the necessary equipment. EMTS will do laboratory pilot testing, obtain regulatory approval and monitor the effectiveness of the system. • Implementation of prototype system by 1/1/09 (Q3)	Y	Y	Y	Y	Y 100%	Q1: PLWTP has implemented a prototype disinfection system as of 9/3/08. Q2: PLWTP and EMTS gathering partial disinfection data. Q3: PLWTP and EMTS gathering partial disinfection data. Q4: Goal completed for WWTD.

WWTD has met 5 of their 5 Gainsharing Goals for 100% achievement. All figures are based on pre-audit.

Metropolitan Wastewater Department
Environmental Monitoring and Technical Services Division
Goal Summary Table FY 2009

1) Every Quarter Enter:
   Y = Yes, **N** = No, **P** = Partial credit for Quarterly Goals,
   Or **J** = Goal in Jeopardy (Year End Only)
2) Add **%** Complete if applicable.
3) **M**= Monthly, **FY**= Fiscal Year, **Q**= Quarterly

Comments
- Specify actual numerical values for all goals.
- Provide circumstances / plan of corrective action for all goals in jeopardy.
- Provide & save information from each quarter.

Goals	Q1	Q2	Q3	Q4	Year End	Comments
1. Minimize Recordable Injuries (Q/FY)- 2-Part goal: • ≤ 2 Recordable Injuries per Quarter = 12.5% of goal/quarter; total for year = 50% of goal • < 6 Recordable Injuries for the fiscal year = 50% of goal	Y	N	Y	Y	N 37.5%	Q1: One Recordable Injury Q2: Three Recordable Injury Q3: Two Recordable Injuries Q4: Two Recordable Injuries
2. Conduct a study to identify and characterize self-regenerating water softeners at industrial user sites listed in program's dbase as tributary to reclamation plants and quantify the associated pounds of NaCl or KCl added per day that could potentially be reduced through use of alternative technologies • Final Report signed and dated by MWWD Director on or before 6/30/09 (Q4)	Y	Y	Y	Y	Y 100%	Q1: Y- Planning and site selection in progress Q2: Y- Database and questionnaire developed and approx. 66 facilities assigned to each inspector. Q3: Y- approx 85% questionnaires completed Q4: Y- All facilities surveyed, and report submitted and Statement of Completion signed by EMTS DD on 6/30/09.

Goals	1) Every Quarter Enter: Y = Yes, N = No, P = Partial credit for Quarterly Goals, Or J = Goal in Jeopardy (Year End Only) 2) Add % Complete if applicable. 3) M= Monthly, FY= Fiscal Year, Q= Quarterly					Comments ▪ Specify actual numerical values for all goals. ▪ Provide circumstances / plan of corrective action for all goals in jeopardy. ▪ Provide & save information from each quarter.
	Q1	Q2	Q3	Q4	Year End	
3. Support Implementation of a Prototype Partial Disinfection System at the PLWWTP (Q/FY) • WWT&D will install and operate the necessary equipment. EMTS will do laboratory pilot testing, obtain regulatory approval and monitor the effectiveness of the system. • Implementation of prototype system by 1/1/09 (Q3)	Y	Y	Y	Y	Y 100%	Q1: **Y- 100%** - Changes to permit complete and initial pilot began. ▪ Hypochlorite dosing system brought online by T&D. ▪ Ramp-up and pilot testing continues. ▪ Requested changes to permit Monitoring and Reporting Program (re: total chlorine) approved by RWQCB. ▪ Routine daily monitoring implemented by EMTS staff. Q2: **Y – 100%** - Full implementation of prototype disinfection system installed and has been operating since October 2008. Q3: Complete. Q4: Complete.
4. Provide Major Required Monitoring Reports to the San Diego Regional Water Quality Control Board (SDRWQCB) in Electronic Formats (FY) • Delivery of major periodic monitoring reports in electronic format (PDF) to the SDRWQCB by 6/30/09 (Q4)	Y	Y	Y	Y	Y 100%	Q1: **Y- 25%** - Preliminary coordination of reporting formats. ▪ Separated routine/periodic reports by type (e.g. NPDES vs Reclaimed Water, Monthly vs. Qtrly), as RWQCB requested. ▪ Redesigned separated reports and implemented internal processes and procedures. ▪ All receiving waters monitoring and toxicity reports (e.g., monthly, annual) available and delivered to RWQCB in both hard copy and PDF formats. Q2: **Y - 75%** - PDF files of the November 2008 Monthly Monitoring Reports for each of the major discharge permits (Pt. Loma WWTP, NCWRP, and SBWRP [NPDES and Reclaimed reports]) were submitted in December 2008. Processes in place for routine submissions of Monthly Reports. Q3: Essentially complete. All major reports are being submitted as pdfs to the SDRWQCB. Q4: Complete.

Goals	1) Every Quarter Enter: Y = Yes, N = No, P = Partial credit for Quarterly Goals, Or J = Goal in Jeopardy (Year End Only) 2) Add % Complete if applicable. 3) M= Monthly, FY= Fiscal Year, Q= Quarterly					Comments ▪ Specify actual numerical values for all goals. ▪ Provide circumstances / plan of corrective action for all goals in jeopardy. ▪ Provide & save information from each quarter.
	Q1	Q2	Q3	Q4	Year End	
5. Implement Part I of Enhanced Ocean Monitoring Program – Pt. Loma Ocean Circulation Study (Q/FY) • Work plan approved and consultants selected by 3/31/09 (Q3) • Field work initiated 4/1/09 – 6/30/09 (Q4) • Project status report by 6/30/09 (Q4)	Y	Y	Y	Y	Y 100%	Q1: Grant from NOAA received (9/2/08) and accepted (9/17/08) to provide external funding for the project; initial project management and planning activities underway. Q2: On track to develop detailed scope of work per established schedule (completed work plan expected by 1/16/09); Sole Source Procurement Authorization for Scripps Institution of Oceanography submitted 12/22/08 (approval pending). Q3: On track, but goal adjustment being developed to reflect details of NOAA grant process and final scope of work. Q4: Goal modified as per Q3 comment, which alters the criteria listed in the left column (i.e., there are now 5 criteria). Project status report submitted and statement of completion signed by DD as of 6/30/09. Goal completed.

EMTS has met 4.375 of their 5 Gainsharing Goals for 87.5% achievement. All figures are based on pre-audit.

Metropolitan Wastewater Department
Engineering and Program Management Divisions
Goal Summary Table FY 2009

1) Every Quarter Enter:
   Y = Yes, **N** = No, **P** = Partial credit for Quarterly Goals,
   Or **J** = Goal in Jeopardy (Year End Only)
2) Add **%** Complete if applicable.
3) **M**= Monthly, **FY**= Fiscal Year, **Q**= Quarterly

Comments
- Specify actual numerical values for all goals.
- Provide circumstances / plan of corrective action for all goals in jeopardy.
- Provide & save information from each quarter.

Goals	Q1	Q2	Q3	Q4	Year End	Comments
1. Minimize Recordable Injuries (Q/FY)- 2-Part goal: • ≤ 2 Recordable Injuries per Quarter = 12.5% of goal/quarter; total for year = 50% of goal • < 6 Recordable Injuries for the fiscal year = 50% of goal	Y	N	Y	Y	P 37.5%	Q1: One Recordable Injury Q2: Three Recordable Injury Q3: Two Recordable Injuries Q4: Two Recordable Injuries
2. Canyon Maintenance Path Inventory (Q/FY) • Collection and processing of GPS data for access paths in 35 canyons including the production of completed maps for those areas by 6/30/09 (Q4)	Y	Y	Y	Y	Y 100%	Q1: 9 canyons completed Q2: 18 canyons completed Q3: 25 canyons completed, 6 processing Q4:35 canyons completed
3. Complete 90% of sewer study reviews within established turnaround times • Complete Initial Reviews of sewer studies within 25 working days and Resubmittal reviews within 15 working days 90% of the time (Q/FY)	Y 100%	Y 100%	Y 100%	Y 100%	Y 100%	Q1: 9 sewer studies (1 initial reviews and 8 resubmittals) Q2: 11 sewer studies (7 initial reviews and 4 resubmittals) Q3: 11 sewer studies (5 initial reviews and 6 resubmittals) Q4: 15 sewer studies (6 initial reviews and 9 resubmittals)

Goals	1) Every Quarter Enter: Y = Yes, N = No, P = Partial credit for Quarterly Goals, Or J = Goal in Jeopardy (Year End Only) 2) Add % Complete if applicable. 3) M= Monthly, FY= Fiscal Year, Q= Quarterly					Comments ▪ Specify actual numerical values for all goals. ▪ Provide circumstances / plan of corrective action for all goals in jeopardy. ▪ Provide & save information from each quarter.
	Q1	Q2	Q3	Q4	Year End	
4. Complete 27 Sewer Modeling, Flow monitoring, and Flow Projection Related Studies (FY) • This goal can also be reviewed, in an average sense, as the completion of one technical study every two weeks through the year (Q1-Q4) • Achievement will be determined by the following index: ≥ 27 Studies = 100% 25– 26 Studies = 75% 23 – 24 Studies = 50% ≤ 22 Studies = 0%	P	P	Y	Y	Y 100%	Q1: **Completed a total of 6 reports**: **1** Capacity Report, **2** as-needed technical studies, **1** System-wide Mass Balance Analysis for FY 2008, and **2** Trunk Sewer Modeling Reports. Q2: **Completed a total of 5 reports**: **4** as-needed technical studies, and **1** Trunk Sewer Modeling Report. Q3: **Completed a total of 9 reports**: **1** Wet Weather Flow Characterization Report – 2008, **1** Metropolitan Sewerage System Projected Flow and Strength Report – FY 09, and **7** as-needed technical studies. Q4: **Completed a total of 8 reports**: **5** Trunk Sewer Modeling Reports, **1** Small Mains (Manis 28) report, **1** as-needed technical study, and **1** I/I Analysis Report. **28 studies completed.**
5. Condition Assessment of Municipal Sewer Pump Stations (Q/FY) • This goal will monitor the development of a detailed procedure for assessments and the completion of the actual assessments. • By 10/1/08 (Q2), complete the detailed procedure for accomplishing the Municipal Sewer Pump Station inspections and preparation of the assessment reports. • For the remaining nine months achievement will be determined by the following index: ≥18 reports = 100% 17 reports = 75% 16 reports = 50% 15 reports = 25% ≤ 14 reports = 0	Y	Y	Y	Y	Y 100%	Q1: Signed and put into Document Control by 10/1 as required. Q2: We completed the detailed testing and assessment procedure by the Oct. 1 2008 date. Since that date, we have completed field testing on ten (10) pump stations. Q3: Field testing now completed on (17) of required (18) pump stations. (8) Assessment reports to be completed in April, with remainder to be completed in May. Q4: 18 reports were completed and approved by EPM Deputy Director by 6/30/09

EPM has met 4.375 of their 5 Gainsharing Goals for 87.5% achievement. All figures are based on pre-audit.

FY 2009 Goal Summary Status Table - Engineering and Program Management Division

Metropolitan Wastewater Department
Wastewater Collection Division
Goal Summary Table FY 2009

1) Every Quarter Enter:
   Y = Yes, **N** = No, **P** = Partial credit for Quarterly Goals,
   Or **J** = Goal in Jeopardy (Year End Only)
2) Add **%** Complete if applicable.
3) **M**= Monthly, **FY**= Fiscal Year, **Q**= Quarterly

Comments
- Specify actual numerical values for all goals.
- Provide circumstances / plan of corrective action for all goals in jeopardy.
- Provide & save information from each quarter.

Goals	Q1	Q2	Q3	Q4	Year End	Comments
1. Manage Construction section activities to improve performance (Q/FY) • Complete an average of 80 sewer main/sewer lateral construction repair and replacement activities per month or more while achieving a lineal footage average of 10 lineal feet or more per activity. • Monthly Reporting of Measured Parameters (Monthly Totals): - Between 75 and 80 activities: 90% - Between 70 and 74 activities: 75% - Between 60 and 69 activities: 50% - Less than 60 activities: 0%	P	Y	P	P	N 0%	Q1: 80.3 sewer pipe repairs average per month with 9.7 linear feet average per activity. Q2: 84.2 sewer pipe repairs average per month with 10.4 linear feet average per activity. Q3:82.8 sewer pipe repairs average per month with 9.7 linear feet average per activity. Q4:80.8 sewer pipe repairs average per month with 9.4 linear feet average per activity.

Goals	1) Every Quarter Enter: Y = Yes, N = No, P = Partial credit for Quarterly Goals, Or J = Goal in Jeopardy (Year End Only) 2) Add % Complete if applicable. 3) M= Monthly, FY= Fiscal Year, Q= Quarterly					Comments ▪ Specify actual numerical values for all goals. ▪ Provide circumstances / plan of corrective action for all goals in jeopardy. ▪ Provide & save information from each quarter.
	Q1	Q2	Q3	Q4	Year End	
2. Manage Main Cleaning section activities to improve performance (Q/FY) • Clean Gravity Sewer pipe so that less Than 69 Sanitary Sewer Overflows (SSOs) occur in FY09. • Monthly Reporting of Measured Parameters (Annual Totals): - 68 SSOs - 100% - 70 SSOs or less – 90% - 72 SSOs – 80% - 74 SSOs – 70% - 75 SSOs or greater – 0%	Y	Y	Y	Y	Y 100%	Q1: July 6; August 9; Sept. 2; 17 total. Q2:October 3, November 6, December 3; 12 total. Q3:January 6, February 6, March 5; 17 total. Q4:April 2, May 7, June 2 = 11 total.

Goals	1) Every Quarter Enter: **Y** = Yes, **N** = No, **P** = Partial credit for Quarterly Goals, Or **J** = Goal in Jeopardy (Year End Only) 2) Add **%** Complete if applicable. 3) **M**= Monthly, **FY**= Fiscal Year, **Q**= Quarterly					**Comments** ▪ Specify actual numerical values for all goals. ▪ Provide circumstances / plan of corrective action for all goals in jeopardy. ▪ Provide & save information from each quarter.
	Q1	**Q2**	**Q3**	**Q4**	**Year End**	
3. Manage WWCD Labor Activities to reduce overtime costs (Q/FY) • Reduce the ratio of Straight Overtime Hours to Total Hours worked within each section to15% or less within each work section • Data are reviewed quarterly; goal will be achieved on a proportional basis for the year, each quarter evaluated separately. If the 15% or fewer ratios are not achieved within each quarter, the goal will be deemed not met for that quarter. Thus: • ≤15% for all four quarters = 100% achievement • ≤15% for three quarters = 75% achievement • ≤15% for two quarters = 50% achievement • ≤15% for one quarter or less = 0% achievement	N	N	N	N	N 0%	Q1: Admin 3.6%; Constr 19.6%;Engr 0.5%; FEWD 3.1%; MC 12.8%; PS 9.7%; P&S 5.5%. Q2: Admin 2.1%; Constr 21%; Engr 3.3%; FEWD 5%; MC 18.8%; PS 9.4%; P&S 5.4%. Q3: Admin 1.9%; Constr 19.9%; Engr 0.2%; FEWD 5.7%; MC 14.6%; PS 8.7%; P&S 3.6%. Q4: Admin 1.1%, Constr 23.2 %, Engr 0.4%, FEWD 9.3%, MC 21%, PS 9.6%, P&S 3.6%.

Goals	1) Every Quarter Enter: Y = Yes, N = No, P = Partial credit for Quarterly Goals, Or J = Goal in Jeopardy (Year End Only) 2) Add % Complete if applicable. 3) M= Monthly, FY= Fiscal Year, Q= Quarterly					Comments ▪ Specify actual numerical values for all goals. ▪ Provide circumstances / plan of corrective action for all goals in jeopardy. ▪ Provide & save information from each quarter.
	Q1	Q2	Q3	Q4	Year End	
4. Secure 600 Manhole Covers (Q/FY) • Secure a total of 600 manholes or more for the fiscal year to comply with the Final Consent Decree requirements. • Annual Reporting of Measured Parameters (Quarterly Totals): - 600 or more manholes: 100% - 590 to 599 manholes: 75% - 580 to 589 manholes: 50% - 570 to 579 manholes: 25% - Less than 570 manholes: 0%	Y	Y	Y	Y	Y 100%	Q1: 307 secured during the first quarter Q2: 81 secured during the second quarter Q3: 98 secured during the third quarter Q4:115 secured during the fourth quarter Total: 601 secured during the fiscal year
5. Minimize Recordable Injuries • Achievement of each Quarter will be based upon the following index: • ≤ 11 Recordable Injuries per Quarter • 12.5 % credit will be given for each Quarter met. • Possible total = 50% • < 44 Recordable Injuries for the fiscal year = 50%	Y	Y	Y	Y	Y 100%	Q1: 10 Recordable Injuries Q2: 8 Recordable Injuries Q3: 6 Recordable Injuries Q4: 10 Recordable Injuries FY Total: 34 Recordable Injuries

WWC has met 3 of their 5 Gainsharing Goals for 60% achievement. All figures are based on pre-audit.

Metropolitan Wastewater Department
Administrative Services Division
Goal Summary Table FY 2009

Goals	1) Every Quarter Enter: Y = Yes, N = No, P = Partial credit for Quarterly Goals, Or J = Goal in Jeopardy (Year End Only) 2) Add % Complete if applicable 3) M= Monthly, FY= Fiscal Year, Q= Quarterly					Comments ▪ Specify actual numerical values for all goals. ▪ Provide circumstances / plan of corrective action for all goals in jeopardy. ▪ Provide & save information from each quarter.
	Q1	Q2	Q3	Q4	Year End	
1. Minimize Recordable Injuries (Q/FY)- 2-Part goal: • ≤ 2 Recordable Injuries per Quarter = 12.5% of goal/quarter; total for year = 50% of goal • < 6 Recordable Injuries for the fiscal year = 50% of goal	Y	N	Y	Y	N 37.5%	Q1: One Recordable Injury Q2 Three Recordable Injuries Q3: Two Recordable Injuries Q4: Two Recordable Injuries
2. Consolidation of Water and MWWD Departments (FY) • Design and facilitate a minimum of 6 team building workshops for sections and/or Management teams that are part of the consolidation	Y	Y	Y	Y	Y 100%	Q1: We will complete these prior to June 30th, 2009, and will provide updates on a quarterly basis. It is anticipated that we will complete a couple of team building workshops in the second quarter. We completed one. Q2: One teambuilding occurred during the second quarter Q3: One teambuilding workshops occurred during the third quarter Q4: Six teambuilding workshops occurred during the fiscal year
3. Development of a Leadership Development Program (Q/FY)- 4-Part goal: • Benchmarking Study by 12/31/08 (Q2); 25% of goal • Cost-Benefit Analysis by 3/31/09 (Q3); 25% of goal • Interim Leadership Skills Needs Assessment by 3/31/09 (Q3); 25% of goal • Leadership Development Plan, by 6/30/09 (Q4); 25% of goal	Y	Y	Y	Y	Y 100%	Q1: We will complete the Benchmarking Study by 12/31/08. Q2: Benchmarking Study complete 12/16/08 Q3: Cost-Benefit Analysis and Leadership Skills Assessment completed prior to 3/31/09 Q4: Implementation plan completed by 6/30/09

Goals	1) Every Quarter Enter: Y = Yes, N = No, P = Partial credit for Quarterly Goals, Or J = Goal in Jeopardy (Year End Only) 4) Add % Complete if applicable 5) M= Monthly, FY= Fiscal Year, Q= Quarterly					Comments ▪ Specify actual numerical values for all goals. ▪ Provide circumstances / plan of corrective action for all goals in jeopardy. ▪ Provide & save information from each quarter.
	Q1	Q2	Q3	Q4	Year End	
4. Safety Awards Program (Q/FY) • Conduct benchmarking study; a Summary of Data Gathering Effort by 12/31/08 (Q1) • Develop a plan and gain approval to implement, which is signed by AD by 3/31/09 (Q3) • Develop a "Final Readiness Status Update," documenting that Safety Section can successfully activate the program by 7/1/09 (Q1, FY10)	Y	Y	N	N	N 0%	Q1: No deliverables for Q1. For Q2 we are on track to complete the benchmarking study. A rough draft proposal for the FY10 Safety Awards Program has been developed; it is not due until 6/30/09. Q2: We have completed the bench marking study and are on track. Q3: Plan is still pending approval by the AD Q4: Goal was not achieved
5. Effective OneSD (ERP) Implementation[1] • Develop a Draft Update of all Department Instructions, to reflect new policies and procedures established through implementation of the OneSD program by 6/30/09 (Q4), if Go-Live Date occurs prior to 4/1/09. The cover memo will be signed by AD by 6/30/09 (Q4) to ensure achievement of this goal. • Create 2-3 person SAP Subject Matter Expert (SME) Teams for a minimum of 20 reengineered processes. These teams will participate in the testing, training and post-implementation process. List of teams with team members will be signed by the MWWD AD by 9/1/08.	Y	Y	Y	Y	N/A Relief Granted	Q1: We created 2-3 person SAP Subject Matter Expert (SME) Teams. List of teams with team members will be signed by the MWWD AD by 9/1/08. Q2: The list of SME teams was signed. Awaiting implementation of OneSD Q3: Awaiting the implementation date Q4:Administrative Relief granted

AS has met 2.375 of their 4 Gainsharing Goals for 59.4% achievement; all figures are based on pre-audit.

FY 2009 Goal Summary Status Table - Administrative Services Division

[1] Administrative Relief granted for Goal #5 due to the delays in City-wide implementation of SAP, making the total count of goals for AS four.

Appendix C

CITY OF SAN DIEGO
METROPOLITAN WASTEWATER DEPARTMENT

Performance Report, FY 2009

Financial Performance

ADJUSTED BUDGET OBJECTIVE	
PE Bid-to-Goal Target #	**$86,158,799**
Less: PE Adj.s for Negotiated Labor Contracts, Note 2	**-$3,000,818**
Less: WWC Adjustments per LMP Bid, Pg.3, Note 2 (a) & (b)	**-$2,285,124**
Subtototal PE	**$80,872,857**
NPE Bid-to-Goal Target #	**$120,998,506**
Plus CPI Adjustment	**$1,485,313**
Subtotal NPE	**$122,483,819**
Other One-Time FY09 Bid Adjustments	**-$8,216,973**
TOTAL Adjusted Bid	**$195,139,703**

ACTUAL IN-SCOPE SPENDING	
Period 13 YTD Expended & Encumbered	
O&M Depts. 771 through 777 Exp. per Simpler Financials	$203,691,531
Bid to Goal Payments in FY09	-$5,282,780
Additional Out-of-Scope Expenses and Encumbrances	-$1,076,890
SLA Pass-Through Expenditures	-$13,154,322
Post-Close Adjustments (after Period 13)	$2,434,144
MINUS Released Encumbrances, per SAP	-$7,571,877
Equals Actual *In-Scope* Expenses & Encumbrances	$179,039,806

Adjusted Bid Minus In-Scope Exp. & Enc. Equals Savings (or Deficit)	**$16,099,898**

Employee Efficiency Incentive Reserve (EEIR)
BALANCE STATEMENT
Metropolitan Wastewater Department

	Year 1 FY2008	Year 2 FY2009	Year 3 FY2010	Year 4 FY2011
Undesignated Funds balance carry forward	$ -	$ 5,991,030		
Allocation of Savings to EEIR/AF (1)	11,369,335	8,049,949		
Subtotal	11,369,335	14,040,979	-	-
Less: Cap on EEIR/AF Balance	(10,000,000)	(10,000,000)		
Surplus funds in excess of EEIR/AF Cap	1,369,335	4,040,979	-	-
EEIR/AF Balance available for Payouts/Approved Expenses (2)	$ 10,000,000	$ 10,000,000		
Gainsharing Payout	(4,008,970)	-		
Pay For Performance Payout	-	-		
B2G Administrative Costs	-	-	-	-
Total Employee Payouts and Administrative Costs (1)	$ (4,008,970)	$ -	$ -	$ -
Approved EEIR/AF Expenses:				
Gainsharing Payment - A. Rosales		(2,500)		
Total of EEIR/AF Expenses (1)	-	(2,500)	-	-
Undesignated Funds	$ 5,991,030	$ 9,997,500	$ -	$ -
Audited Savings (1) (3)	$ 25,290,360	$ 16,099,898		
HDR Payment	$ (1,100,000)	$ -		
Unallocated Reserve	$ (105,598)	$ -		
Operating Reserve	$ (1,346,093)	$ -		
Total Savings available for allocation to Ratepayers/EEIR	$ 22,738,669	$ 16,099,898		
Allocation of Savings to Ratepayers (50%)	$ 11,369,335	$ 8,049,949	$ -	$ -
Allocation of Savings to EEIR/AF (50%)	$ 11,369,335	$ 8,049,949	$ -	$ -

(1) Savings, Incentive Pay and Approved EEIR/AF Expenses are shown in years earned/committed, not in years paid or deposited
(2) Assumes sum of FY09 Savings and prior year balance will exceed $10M
(3) FY09 Savings is **preliminary/unaudited**