

Delta Diablo Sanitation District

Fiscal Year 2012/13 Operating Budget and Capital Fund Summary



July 2012

**National Association of Clean Water Agencies Platinum 8 Award
2008 California Mid-Size Wastewater Treatment Plant of the Year
2009 California Sanitation Risk Management Authority Safety Plant of the Year**

General Manager

Gary W. Darling

Board of Directors

James D. Davis

Federal Glover

Nancy Parent

The Purpose of the Delta Diablo Sanitation District

Delta Diablo Sanitation District safeguards and enhances the environment of the communities we serve.

The Vision of Delta Diablo Sanitation District

Delta Diablo Sanitation District is a highly respected organization in our community and the environmental industry, for the quality and capabilities of its employees, for its strong commitment to core values and customer satisfaction, and for its ability to define and embrace the best practices of the industry.

The Mission of Delta Diablo Sanitation District

Delta Diablo Sanitation District will achieve its vision by:

- Fostering a culture that promotes trust through open and honest communication
- Maintaining and enhancing a supportive environment that fosters professional growth, team work and workplace satisfaction
- Operating and maintaining its facilities in a safe, sound, efficient and effective manner
- Improving service through planning and wise use of technology
- Protecting its assets and investments through sound financial policies and practices
- Seeking and developing regional solutions to challenges by collaborating with the community and industry

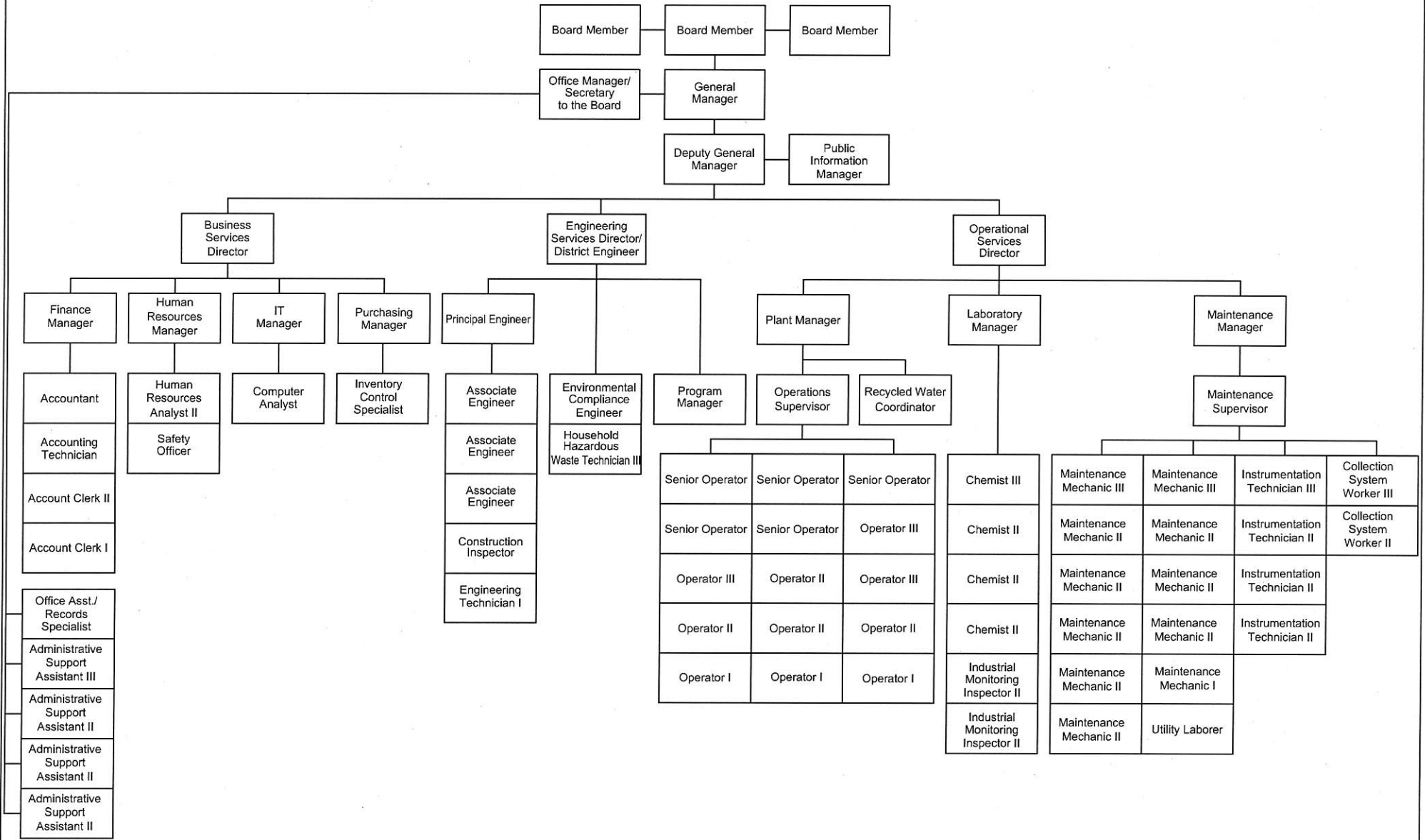
District Overview

The Delta Diablo Sanitation District was formed in 1956 to protect the health of the public and the environment by collecting and effectively treating in the Bay Point community. In the late 1970s wastewater conveyance and treatment services were extended to the cities of Antioch and Pittsburg, and a regional system was constructed. Presently the District serves approximately 190,000 residents and businesses. In 2001, the District initiated its recycled water program in an effort to support more effective use of the state's valuable and limited drinking water and environmental water supply. Since that time, recycled water has been provided to two power generating plants for both process and cooling water. Recycled water is used for landscape irrigation purposes by the District, at the power generation plants and by the Cities of Pittsburg and Antioch for the municipal golf courses and a number of city parks.

The District takes its environmental responsibilities seriously, resulting in expanded services for the community to sustain and improve the environment. Since 1996, the District has collected household hazardous waste (HHW) from the east Contra Costa County community to provide an outlet for the safe and proper disposal of hazardous substances and pollutants. In 2006, the program was broadened to include disposal of electronic waste, and in 2009 the HHW facility was expanded to provide capacity for certain material, such as paint, to be reused versus disposal. The District also provides street sweeping service in each of the community within its service area. This minimizes pollutants in the streets that might otherwise reach sanitary or storm water sewers and harm the waterways of the San Francisco Bay. Finally, the District operates and maintains the wastewater collection system for the community of Bay Point, including ongoing system rehabilitation.

The District's governing Board of Directors is composed of the Mayors (or their appointed City Council members) of the cities of Antioch and Pittsburg and the County Supervisor representing the Bay Point community. The District's staff is composed of 78 positions as shown on the following organization chart. This translates to over 2,400 customers served per position.

Delta Diablo Sanitation District Organizational Chart



Updated: January 2013

Fiscal Year 2012/13 Budget Summary

Appropriations for the fiscal year 2012/2013 (FY13) budget were approved by the Board of Directors on July 11, 2012. As shown on the following Budget Program Summary, the budget presents a projection of revenues by funding source, operating expenses, debt service costs and capital expenditures planned for FY13. Capital project cost estimates are based on the Capital Improvement Program (CIP) adopted by the Board on May 9, 2012. Total revenues budgeted for FY13 are \$29.8 million. These revenues coupled with projected use of reserves will fund \$38.0 million in expenditures. These expenditures are composed of a total operating budget of \$22.9 million, capital project costs of \$11.3 million and \$3.8 million in debt service obligations. Labor costs represent \$13.1 million of operating expense, or about 59.2% of the total operating budget, while outside services are about \$3.8 million, or 16.7% of the operating budget. Treatment chemical and utilities total \$3.3 million, or 14.3% of the operating budget.

The District provides services in five program areas: Wastewater, Recycled Water, Household Hazardous Waste, Street Sweeping and Bay Point Collections. The largest program is Wastewater, which provides for the conveyance, treatment and disposal of wastewater in the service area. This program totals \$33.0 million, or 86.8% of the total expenditures budget. Of this, \$18.9 million is operating budget and \$14.1 million is for capital projects. Nearly 50% of the Wastewater capital budget is for projects to replace and/or rehabilitate infrastructure that has reached its useful life. This is essential to keeping the Wastewater system in good working order to provide the level of service consistent with customer needs and to protect the environment. The primary source of funds for the Wastewater program is provided through Sewer Service Charge rates; however, projects to serve growth in the Wastewater Expansion fund are paid for by growth through Capital Facilities Capacity Charges, or connection fees. A separate designated reserve fund was established by the Board of Directors in FY12 to begin setting aside funds for a future advanced treatment project to meet anticipated changes in regulatory requirements. Approximately \$990 thousand will be set aside in this fund during FY13 resulting in a total balance of nearly \$1.5 million by fiscal year end.

The second largest program is Recycled Water, which provides high quality water to two power plants, city parks and two golf courses in the service area. This program is fully funded by recycled water users. Rates for recycled water are lower than what the power plants cities would pay for potable treated water or non-potable raw water. A connection fee study is planned for completion in FY13, so that new, non-municipal Recycled Water customers pay for capacity that they will be using in the system.

The Bay Point program includes the operation, maintenance and ongoing system rehabilitation of the wastewater collection system in the community of Bay Point. The collection system is a network of piping that directs wastewater to the larger conveyance system connected to the District's wastewater treatment facilities. Collection systems for the cities of Antioch and Pittsburg are owned and operated by the cities, which charge separate rates for providing that service.

The District strives to keep its overall costs as low as possible, while meeting or exceeding regulatory standards and focusing on its responsibility of environmental stewardship. Rates for services remain below the average in the region, while the District has been recognized for excellence at the local, state and national levels.

**DELTA DIABLO SANITATION DISTRICT
FISCAL YEAR 2014/15 PROGRAM BUDGET SUMMARY**

Line No.		WASTEWATER PROGRAM				RECYCLED WATER PROGRAM	HOUSEHOLD HAZARDOUS WASTE PROGRAM	STREET SWEEPING PROGRAM	BAY POINT PROGRAM	TOTAL ALL PROGRAMS
		OPERATIONS & MAINTENANCE FUND	EXPANSION FUND	CAPITAL ASSET FUND	CAPITAL ASSET REPLACEMENT FUND					
	REVENUE									
1	Capital Facility Capacity Charges		1,840,000							1,840,000
	Service Charges									0
2	Sewer Service	18,005,000		1,249,000	1,565,000					20,819,000
3	Collection Charge							655,600		655,600
4	Surcharge							331,100		331,100
5	Street Sweeping						573,800			573,800
6	Redevelopment									0
7	Property Taxes				1,800,000					1,800,000
8	Utility Rebates (Received from Calpine)	250,000								250,000
9	Interest Income	290,000	1,000	3,000	34,000	44,035	2,100	7,500	32,000	413,635
10	Discharge Permits & Fees	339,000								339,000
11	Work For Others	109,000								109,000
12	Equalization Basin Debt Service					761,000				761,000
13	Overhead (from Capital Projects)	400,000								400,000
14	Miscellaneous	375,000								375,000
15	Reimbursements			184,465	51,000		461,830			697,295
16	Recycled Water Charges					2,810,025				2,810,025
17	TOTAL REVENUES	19,768,000	1,841,000	1,436,465	3,450,000	3,615,060	463,930	581,300	1,018,700	32,174,455
18	Long-Term Debt Proceeds									0
19	Transfers In to HHW from Wastewater Program	(281,988)					281,988			0
20	Transfers Out of Recycled Water for Debt Service		762,000			(762,000)				0
21	Interfund Transfers (Loans)		900,000		(900,000)					0
22	Appropriated from Reserves	992,761	28,000				22,900	0	20,494	1,064,155
23	TOTAL FUNDS AVAILABLE	20,478,773	3,531,000	1,436,465	2,550,000	2,853,060	768,818	581,300	1,039,194	33,238,610
	EXPENDITURES									
24	Salaries and Benefits	13,654,880				542,372	205,027	12,124	373,372	14,787,775
25	Chemicals	1,003,000				760,225				1,763,225
26	Office and Operating Expense	1,224,432				60,464	39,254	10,550	80,350	1,415,050
27	Outside Services and Repairs/Maintenance	2,807,101				213,144	498,476	558,045	65,472	4,142,238
28	Program Costs (Overhead) Misc. Expense					389,121				389,121
29	Utilities	1,365,000				420,243	1,061			1,786,304
30	Contingency Allowance	424,360				40,000			40,000	504,360
31	Debt Service		3,531,000	251,426	420,000					4,202,426
32	Project Expense			466,000	1,805,500	282,000	25,000		480,000	3,058,500
33	TOTAL EXPENDITURES	20,478,773	3,531,000	717,426	2,225,500	2,707,569	768,818	580,719	1,039,194	32,048,999
34	CONTRIBUTION to RESERVES	0	0	719,039	324,500	145,491	0	581	0	1,189,611
35	Estimated Beginning Cash Fund Balance	11,214,605	32,226	131,570	1,389,336	2,201,757	123,004	392,430	1,689,407	17,174,335
36	Estimated Ending Fund Balance	10,221,844	4,226	850,609	1,713,836	2,347,248	100,104	393,011	1,668,913	17,299,791