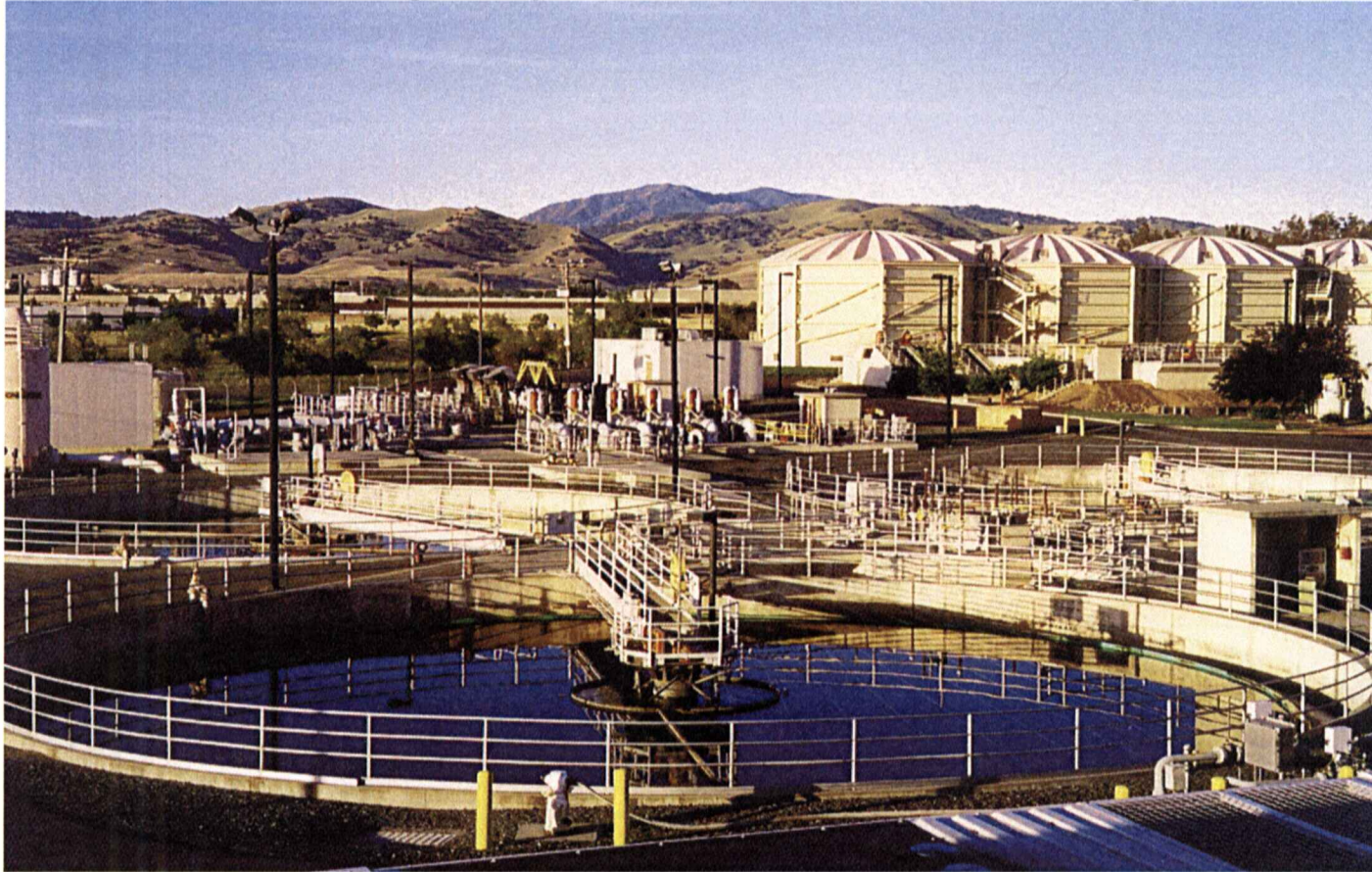


# **Delta Diablo Sanitation District**

## **Fiscal Year 2011/12 Operating Budget and Capital Fund Summary**



***July 2011***

**National Association of Clean Water Agencies Platinum 7 Award  
2008 California Mid-Size Wastewater Treatment 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



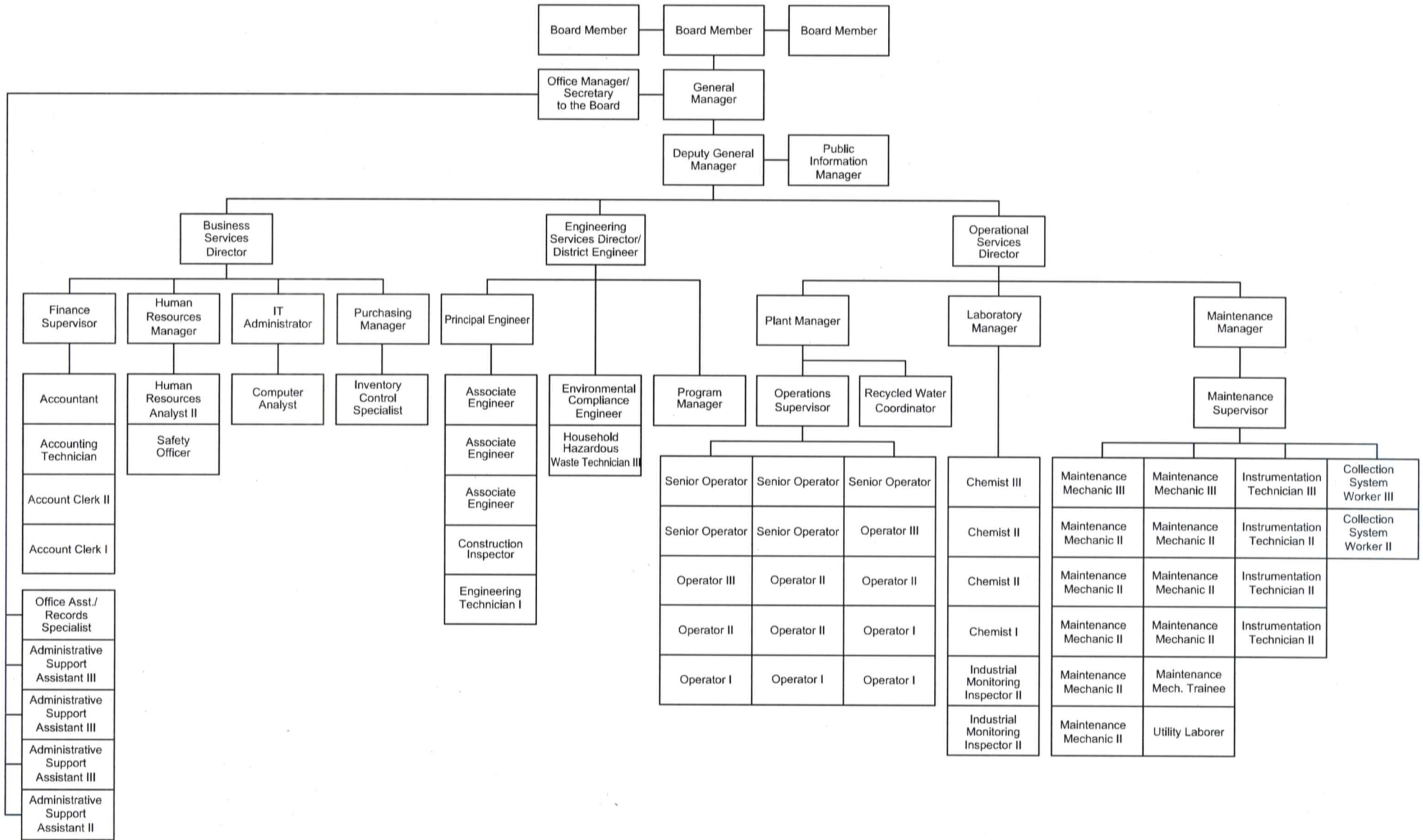
## District Overview

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 City of Pittsburg for a number of city parks and the municipal golf course. In fiscal year 2011/12, the City of Antioch will begin using recycled water to irrigate several city parks and the municipal golf course.

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





## Fiscal Year 2011/12 Budget Summary

Appropriations for the fiscal year 2011/2012 (FY12) budget were approved by the Board of Directors on July 13, 2011. 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 FY11. Capital project cost estimates are based on the Capital Improvement Program (CIP) adopted by the Board on May 11, 2011. Total revenues budgeted for FY12 are \$35.6million. These revenues coupled with projected use of reserves will fund \$38.1 million in expenditures. These expenditures are composed of a total operating budget of \$22.8 million, capital project costs of \$11.8 million and \$3.5 million in debt service obligations. Labor costs represent \$13.1 million of operating expense, or about 57.3% of the total operating budget, while outside services are about \$3.4 million, or 14.7% of the operating budget. Treatment chemical and utilities total \$3.7 million, or 16.1% of the operating budget.

The District provides services through 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 for the entire service area. This program totals \$31.8 million, or 83.5% of the total expenditures budget. Of this, \$18.1 million is operating budget and \$13.1 million is for capital projects. Over 80% of the Wastewater capital budget is for projects to replace and/or rehabilitate infrastructure components that have reached their useful lives. 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 connection fees. A new designated reserve fund has been 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 \$467 thousand will be collected for this new fund.

The second largest program is Recycled Water, which provides high quality water to two power plants, city parks and golf courses in the service area. This program is fully funded by recycled water users, although the project to extend recycled water to the City of Antioch's parks and golf course is funded by state and federal grants as well as a low interest state revolving fund loan. Rates for recycled water are lower than what the cities would pay for potable treated water or non-potable raw water.

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 are among the lowest in the region, while the District has been recognized for excellence at the local, state and national levels.



**DELTA DIABLO SANITATION DISTRICT  
FISCAL YEAR 2011/2012 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					
	<b>REVENUE</b>									
1	Capital Facility Capacity Charges		2,700,000							2,700,000
	Service Charges									0
2	Sewer Service	15,331,000		1,343,000	1,539,000					18,213,000
3	Collection Charge							579,895		579,895
4	Surcharge							280,000		280,000
5	Street Sweeping						573,800			573,800
6	Redevelopment									0
7	Property Taxes	70,000			1,734,000					1,804,000
8	Utility Rebates (Received from Calpine)	229,000								229,000
9	Interest Income	502,000	70,000	80,000	313,000	63,147				1,028,147
10	Discharge Permits & Fees	310,000								310,000
11	Work For Others	100,000								100,000
12	Equalization Basin Debt Service					761,000				761,000
13	Overhead (from Capital Projects)	400,000								400,000
14	Miscellaneous	343,000	67,591	50,000						460,591
15	Reimbursements				4,048,000	1,200,000	433,811			5,681,811
16	Recycled Water Charges					2,462,414				2,462,414
17	<b>TOTAL REVENUES</b>	<b>17,285,000</b>	<b>2,837,591</b>	<b>1,473,000</b>	<b>7,634,000</b>	<b>4,486,561</b>	<b>433,811</b>	<b>573,800</b>	<b>859,895</b>	<b>35,583,658</b>
18	Long-Term Debt Proceeds									0
19	Transfers In to HHW from Wastewater Program	(215,415)					215,415			0
20	Transfers Out of Recycled Water for Debt Service		761,000			(761,000)				0
21	Interfund Transfers (Loans)									0
22	Appropriated from Reserves	1,636,320	853,409		44,500	725,000	25,000			3,284,229
23	<b>TOTAL FUNDS AVAILABLE</b>	<b>18,705,905</b>	<b>4,452,000</b>	<b>1,473,000</b>	<b>7,678,500</b>	<b>4,450,561</b>	<b>674,226</b>	<b>573,800</b>	<b>859,895</b>	<b>38,867,887</b>
	<b>EXPENDITURES</b>									
24	Salaries and Benefits	12,128,400				420,932	175,005	4,403	327,687	13,056,427
25	Chemicals	1,131,247				848,720			500	1,980,467
26	Office and Operating Expense	1,584,903				178,638	50,393	9,288	79,882	1,903,103
27	Outside Services and Repairs/Maintenance	2,136,578				172,462	421,707	489,281	130,765	3,350,792
28	Program Costs (Overhead) Misc. Expense					327,733				327,733
29	Utilities	1,305,728				377,640	2,122		1,061	1,686,551
30	Contingency Allowance	419,050				42,436			40,000	501,486
31	Debt Service		3,527,000							3,527,000
32	Project Expense		925,000	965,000	7,678,500	2,082,000	25,000		80,000	11,755,500
33	<b>TOTAL EXPENDITURES</b>	<b>18,705,905</b>	<b>4,452,000</b>	<b>965,000</b>	<b>7,678,500</b>	<b>4,450,561</b>	<b>674,226</b>	<b>502,972</b>	<b>659,895</b>	<b>38,089,059</b>
34	<b>CONTRIBUTION to RESERVES</b>	<b>0</b>	<b>0</b>	<b>508,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70,828</b>	<b>200,000</b>	<b>778,828</b>
35	<b>Estimated Beginning Cash Fund Balance</b>	<b>14,308,420</b>	<b>1,443,108</b>	<b>2,283,754</b>	<b>8,950,343</b>	<b>1,918,050</b>	<b>150,000</b>	<b>520,685</b>	<b>1,022,540</b>	<b>30,596,900</b>
36	<b>Estimated Ending Fund Balance</b>	<b>12,672,100</b>	<b>589,699</b>	<b>2,791,754</b>	<b>8,905,843</b>	<b>1,193,050</b>	<b>125,000</b>	<b>591,513</b>	<b>1,222,540</b>	<b>28,091,499</b>