

2011 - 2012 BUDGET REPORT



Monterey Regional Water Pollution Control Agency

5 Harris Court, Building D, Monterey, CA 93940
(831) 372-3367 or (831) 422-1001 • www.mrwPCA.org

Monterey Regional Water Pollution Control Agency

Board of Directors* 2011/2012

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Executive Staff

Keith Israel	General Manager
Brad Hagemann	Assistant General Manager
Robert Wellington	Legal Counsel
John Tiernan	Director of Administrative Services/Deputy General Manager
Tom Buell	Director of Finance
Betty Nebb	Executive Assistant to General Manager/Board

Mission Statement

The Monterey Regional Water Pollution Control Agency is dedicated to meeting the wastewater and reclamation needs of our member agencies while protecting the environment.

Vision Statement

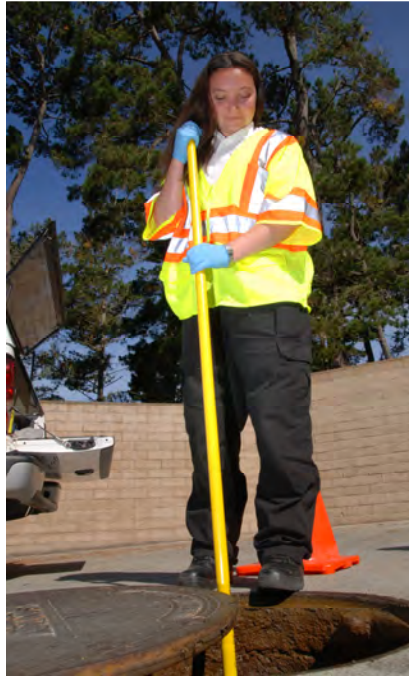
The Monterey Regional Water Pollution Control Agency will be a model customer service provider for the efficient, innovative utilization of wastewater.

Three-Year Goals

(2011/2014, not in priority order)

- ◆ Develop the use of recycled and replenishment water
 - ◆ Enhance and implement cooperation/collaboration with other agencies on projects of joint interest
 - ◆ Develop and implement a comprehensive energy plan
 - ◆ Enhance internal and external outreach and communication
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Message from the General Manager

July 25, 2011

Honorable Chair and Members of the Board of Directors:

Enclosed is the adopted Fiscal Year 2011/12 Budget. As you are very aware, our local community continues to experience an extended period of economic hardship. In that regard, the MRWPCA Board and staff have taken great care in developing a budget that sustains operations with a real emphasis on controlling costs. Meanwhile most public water and wastewater agencies are facing the dilemma of how to deal with their aging infrastructure – pipelines that are deteriorating, facilities in need of renovations and replacement – and we have had to address those needs.



During the past year, we have formulated a program that would allow repairs and replacement of some of our larger and more expensive assets that are showing signs of aging. As our treatment plant is over twenty years old, and much of our interceptor system is twenty-five years old, an expanded Capital Improvement Program (CIP) has been developed and will put this Agency on track to maintain and improve our infrastructure in order to continue to provide the safe and efficient services our ratepayers have come to expect.

Safety and efficient operations continue to be a major goal for this agency and with the development of the CIP we have begun to implement work that is needed based on priorities evaluated by our engineering staff. Implementing projects for repairs and improvements now may offer the advantage of lower/competitive pricing while providing work for other companies in our region.



Our CIP is estimated at a cost of approximately \$4 million per year for the next 15 years. As a result of these upcoming costs, our Board and staff have had the great responsibility to carefully consider debt funding and/or user rate increases to fund the required repairs/renovations needed for our CIP.

I would like to recognize the efforts of the Budget/Personnel Committee, staff and the entire Board who over the last few months had to make some difficult decisions on which options to use to finance the CIP. While there was consideration for a combination of debt financing and/or a pay-as-you-go option, the Board recommended that we proceed with no new debt and instead approved a rate increase of about 75¢ per year for the next three years. More than 90% of the new revenues generated by the user rate increase will be designated to finance the CIP.

Over the last 15 years, our base residential user rate has increased only about 1.5% per year. In comparison, the consumer price index rose almost 50% during the same period. Our continuing focus on cost controls has resulted in treatment costs much lower than state-wide averages for facilities our size. Again, credit goes to our hard-working staff and our vigilant Board that have kept service and cost control to our ratepayers a top priority.

Budget Targets

As with previous years, we continue to place emphasis on budget goals by closely monitoring and responding to our internal financial targets. Our primary goal is to have overall **actual** general fund O&M expenditures within 2.0% of the **adopted** fiscal year budget. And, for FY 2010/11, we estimate that expenditures will be within that range.

Retrospective Review of Fiscal Year 2010/11

The MRWPCA Way

- Continue to provide a “regional focus” of our efforts
- Demonstrate efficient operations and financial stability
- Establish innovative leadership in the wastewater and recycled water industry
- Employ and develop experienced staff members that are sought out for their expertise
- Ensure a positive and safe work environment

Fiscal Year Achievements

- Board strategy developed to fund Capital Improvement Program
- No new debt – incremental increases in user rates will support CIP
- Emphasis on holding the line on operational costs
- Staff levels decreased by 20% over last 15 years
- Creative approaches to stay within staffing levels

Capital Improvement Program (CIP)

- Agency infrastructure needs renewal (most 20-25 years old)
- Expanded CIP this year with plans for short- and long-term program
- Pay-as-you-go funding to finance the CIP

Reclamation Projects for Monterey County

- **Salinas River Diversion Facility**
 - Second year of successful operation
 - Grower well pumping reduced
- **Recycled water for agriculture irrigation – 50 billion gallons since 1998**
 - Efficient and safe operations – no water safety issues



- Quality of recycled water uncompromised
- O&M contract funds returned to Monterey County Water Resources Agency on services provided under budget – \$2.1M returned since 2004
- Solar Project providing energy savings for Reclamation Treatment Plant (SVRP)

Regional Water Project Support

- Preparing Brine Disposal Permit for Desalination Project
- **Regional Urban Water Augmentation Project (RUWAP)**
 - Leadership meetings to expedite project
 - Future expansion of recycled water to Monterey Peninsula
 - Storage of winter water key for expansion
- **Seaside Groundwater Replenishment Project**
 - Project included in Second Phase of CPUC Draft EIR
 - Restarted effort to complete pilot well testing

Community Relations



- Coordinated 2nd Water Awareness Day celebration at Del Monte Mall – May 2011
- Pharmaceutical Drop Box Program Collaboration
- Outreach services contract with Pacific Grove for “unflushables” campaign
- Partnership providing public outreach resource for MPWMD
- Grease outreach program with TV and online ads including target marketing

Plant Operations

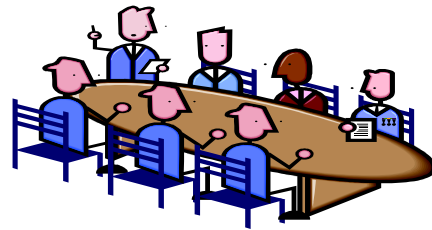
- MRWPCA regional treatment plant is Grade V facility
- CWEA awards for Laboratory Analyst and unique invention for Lab sampling
- Outstanding Discharge Permit Compliance

Safety

- Continuing emphasis on worker safety
- Maintain low-cost experience modifier
- Ongoing training/education modules

Organizational Planning

- Seven new Members joined Board over last three years
- New strategic goals established at April 2011 Strategic Planning Workshop



We thank you for your comments and input at the June 13 Board/Budget Workshop meeting to refine and clarify areas of the budget. We expect Fiscal Year 2011/12 will be an extremely busy and productive year for providing quality MRWPCA services for our ratepayers and the community. Thanks, again, for your service, support, and guidance.

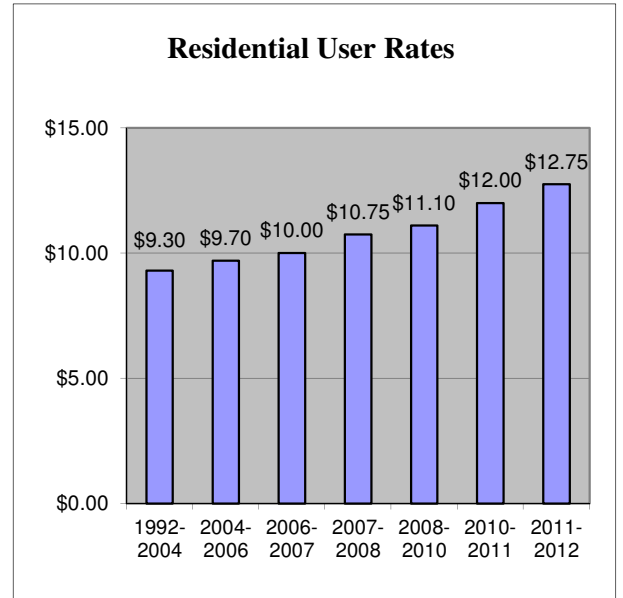
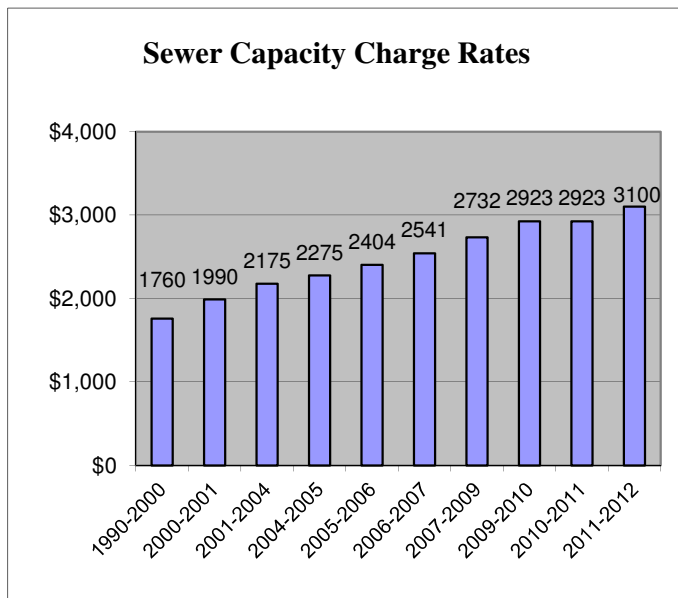
Sincerely,

Keith E. Israel
General Manager

Revenues and Expenditures Summary

2010/11 Budget to 2011/12 Budget

	FY 09/10 Approved Budget	FY 10/11 Approved Budget	FY 11/12 Approved Budget	% 10/11 Budget vs. 11/12 Budget
Revenue				
MRWPCA				
User Fees	\$14,926,606	\$16,217,940	\$17,279,580	6.55%
Other Operating	2,327,542	1,993,806	2,028,151	1.72%
Non-Operating	227,400	173,335	166,000	-4.23%
Reclamation Plant & Distr.	3,730,990	2,992,098	3,037,639	1.52%
Salinas River Diversion Facility	0	895,999	865,306	-3.43%
Total Revenue	\$21,212,538	\$22,273,178	\$23,376,676	4.95%
Expenditures				
MRWPCA				
Salaries and Benefits	\$9,188,260	\$9,331,142	\$9,431,386	1.07%
Services and Supplies	6,357,296	6,831,745	7,116,748	4.17%
Capital Projects	N/A	N/A	986,258	
Major O&M	N/A	N/A	450,000	
Debt Service Payments	1,645,083	1,545,708	1,471,646	-4.79%
Reclamation Plant & Distr.	3,730,990	2,992,098	3,037,639	1.52%
Salinas River Diversion Facility	0	895,999	865,306	-3.43%
Transfer to/from Reserves	290,909	676,486	17,693	-97.38%
Total Expenditures	\$21,212,538	\$22,273,178	\$23,376,676	4.95%
Balance	0	0	0	0%



Notable Changes in Revenues and Expenditures

FY 11/12 Budget

Revenues

Changes

User Fees	\$0.75 rate increase	\$1,061,640
Brine Receiving	Decrease due to demand	-50,000
Liquid Waste Fees	Increased based on demand	25,000

Expenditures

Salaries/Benefits	No employee COLA. Mandated PERS cost increases	\$100,244
Chemicals	Increased in chemical cost	113,500
Contract Services	Increase for NPDES permit	52,670
Capital Projects	Amount required from user rates to cover capital projects	986,258
Major O&M	Major O&M reserve fund closed – expensed out of O&M	450,000



Revenues

2010/11 Budget to 2011/12 Budget

Operating Revenues	2010/11 Budget	2011/12 Budget	10/11 Budget	
			Inc./(Decr.)	% Inc./(Decr.)
User Fees	\$16,217,940	\$17,279,580	\$1,061,640	6.55%
Transfer Reserves	0	0	0	0.00%
Other Operating Revenue				
Brine Receiving	400,000	350,000	-50,000	-12.50%
Liquid Waste Fees	350,000	375,000	25,000	7.14%
Grease Fees	130,000	140,000	10,000	7.69%
Diluted Oily Waste	100,000	120,000	20,000	20.00%
User Penalty Fees	250,000	275,000	25,000	10.00%
Lien Penalty Fees	25,000	25,000	0	0.00%
Lien Transfer Fees	70,000	75,000	5,000	7.14%
NSD Services Fees	69,500	68,400	-1,100	-1.58%
MOCO Wastewater Billings	14,400	14,400	0	0.00%
Fees - Outside Entities	175,000	200,000	25,000	14.29%
Reclamation - Reimbursements	228,096	235,960	7,864	3.45%
Salinas River Diversion Facility Reimbursement	51,810	52,391	581	1.12%
Lift Station Maintenance	80,000	80,000	0	0.00%
PG&E Auxiliary Power	20,000	7,000	-13,000	-65.00%
Misc. Operating Income	30,000	10,000	-20,000	-66.67%
Subtotal Operating Revenue	1,993,806	2,028,151	34,345	1.72%
Non-Operating Revenue				
Investment Gains/Interest	29,935	30,000	65	0.22%
Other Revenues	143,400	136,000	-7,400	-5.16%
Subtotal Non-Operating Revenue	173,335	166,000	-7,335	-4.23%
Revenues w/o Reclamation	\$18,385,081	\$19,473,731	\$1,088,650	5.92%
Reclamation - Plant	1,955,724	1,839,605	-116,119	-5.94%
Reclamation - Distribution	1,036,374	1,198,034	161,660	15.60%
Salinas River Diversion Facility - O&M	895,999	865,306	-30,693	-3.43%
General Fund Revenues	\$22,273,178	\$23,376,676	1,134,191	4.95%

Revenue Descriptions

User Fees - Direct billing to our customers who send their wastewater to our treatment plant via our interceptors and pump stations

The customer breakdown is as follows:

- | | | | |
|----------------|-----------------|---------------|-------------|
| a. Residential | 51,173 accounts | c. Industrial | 39 accounts |
| b. Commercial | 9,660 accounts | d. Military | 3 accounts |

Transfer Reserves - Amount transferred from the general fund reserves to balance the budget.

Brine Receiving - Liquid Waste - Grease - Oily Waste - Waste that is trucked to the treatment plant for processing.

User Penalty Fees - Amount assessed for late payments.

Lien Penalty & Transfer Fees - Amount assessed for transferring non-payments to property tax for collection.

NDS Service Fees - Admin. Fee for collecting fees on behalf of member entities.

MOCO Wastewater Billing - Admin. Fee for collecting fees on behalf of Monterey County.

Fees Outside Entities - Revenues for performing contract work for other entities; i.e., Salinas Industrial Ponds, city grease programs and maintenance/electrical work.

Recl. - Reimbursements - Admin. Fees for running the Reclamation Treatment and Distribution for the Monterey County Water Resources Agency (MCWRA).

SRDF - Reimbursements - Admin. Fees for running the Salinas River Diversion Facility for the Monterey County Water Resources Agency (MCWRA).

Lift Station Maintenance - Performing maintenance work on city lift stations for member entities.

PG&E Auxiliary Power - Revenue from selling power to PG&E.

Misc. Operating Income & Other Revenue - Permit, inspection and toxic monitoring fees.

Investment Interest - Amount of interest earned from general fund reserves.

Other Revenue - Insurance dividends, rebates and gain on sale of assets.

Reclamation - Reimbursement from MCWRA for cost of reclamation.

Salinas River Diversion Facility - Reimbursement from MCWRA for cost of facility operations and maintenance.

Revenues

Estimated 2010/11 Actual to 2011/12 Budget

Operating Revenues	2010/11 Est. Actual	2011/12 Budget	11/12 Budget	
			Cost Inc (Decr)	% Inc (Decr)
User Fees	\$16,026,000	\$17,279,580	\$1,253,580	7.82%
Transfer Reserves	0	0	0	0.00%
Other Operating Revenue				
Brine Receiving	340,000	350,000	10,000	2.94%
Liquid Waste Fees	393,000	375,000	-18,000	-4.58%
Grease Fees	148,000	140,000	-8,000	-5.41%
Diluted Oily Waste	123,000	120,000	-3,000	-2.44%
User Penalty Fees	320,000	275,000	-45,000	-14.06%
Lien Penalty Fees	25,000	25,000	0	0.00%
Lien Transfer Fees	75,000	75,000	0	0.00%
NSD Services Fees	68,400	68,400	0	0.00%
MOCO Wastewater Billings	14,400	14,400	0	0.00%
Fees - Outside Entities	200,000	200,000	0	0.00%
Recl. - Reimbursements	208,000	235,960	27,960	13.44%
Salinas River Diversion Facility Reim	32,000	52,391	20,391	63.72%
Lift Station Maintenance	80,000	80,000	0	0.00%
PG&E Auxiliary Power	6,500	7,000	500	7.69%
Misc. Operating Income	5,000	10,000	5,000	100.00%
Sub Total Other Operating Rev	2,038,300	2,028,151	-10,149	-0.50%
Non-Operating Revenue				
Investment Gains/Interest	28,000	30,000	2,000	7.14%
Other Revenues	136,000	136,000	0	0.00%
Sub Total Non-Operating	164,000	166,000	2,000	1.22%
Revenues w/o Reclamation	\$18,228,300	\$19,473,731	1,245,431	6.83%
Reclamation - Plant	1,955,724	1,839,605	(116,119)	-5.94%
Reclamation - Distribution	1,036,374	1,198,034	161,660	15.60%
Salinas River Diversion Facility	895,999	865,306	(30,693)	-3.43%
General Fund Revenues	\$22,116,397	\$23,376,676	\$1,260,279	5.70%



Expenditures

2010/11 Budget to 2011/12 Budget

Description	2010/11 Budget	2011/12 Budget	11/12 Budget	
			Cost Inc/-Decr	% Inc/-Decr
Salaries and Wages	\$5,630,729	\$5,600,195	(\$30,534)	-0.54%
Benefits	3,700,413	3,831,191	130,778	3.53%
Training & Administration	136,225	131,625	-4,600	-3.38%
Office Expenses	274,975	284,425	9,450	3.44%
Information Systems	252,090	266,075	13,985	5.55%
Professional Services	620,000	639,500	19,500	3.15%
Operating Supplies	374,673	384,200	9,527	2.54%
Contract Services	476,380	529,050	52,670	11.06%
Chemicals	1,125,800	1,239,300	113,500	10.08%
Utilities	2,394,072	2,425,793	31,721	1.32%
Maintenance & Repairs	1,158,530	1,193,280	34,750	3.00%
Billable Services	19,000	23,500	4,500	23.68%
Total O&M	\$16,162,887	\$16,548,134	\$385,247	2.38%
Debt Service	1,545,708	1,471,646	-74,062	-4.79%
Capital Projects	N/A	986,258	986,258	100%
Major O&M	N/A	450,000	450,000	100%
Transfer to (from) Reserves	676,486	17,693	-658,793	-97.38%
Total MRWPCA	\$18,385,081	\$19,473,731	\$1,088,650	5.92%
Reclamation - Plant	1,955,724	1,839,605	-116,119	-5.94%
Reclamation - Distrib.	1,036,374	1,198,034	161,660	15.60%
Salinas River Diversion Facility	895,999	865,306	-30,693	-3.43%
Total General Fund	\$22,273,178	\$23,376,676	\$1,103,498	4.95%

Expenditure Descriptions

Salaries and Wages - Wages for all regular and temporary positions.

Benefits - Includes health insurance, PERS retirement, and workers' compensation insurance.

Training and Administration - Includes training for employees, and conference and travel expenses.

Office Expense - Includes all office supplies, paper, printing and duplication, and computer equipment.

Information Systems - Includes postage and computer support.

Professional Services - Expenses such as insurance, engineering studies and legal services are included.

Operating Supplies - Plant expenses for vehicle fuel, small tools, and safety supplies make up this category.

Contract Services - Includes permit fees, laboratory analysis services, and laundry services.

Chemicals - All chemical costs to treat the wastewater are captured in this category.

Utilities - Includes the cost for utilities to our pump stations and plant and for sludge disposal fees.

Preventative Maintenance and Repairs - All building and grounds repair and plant equipment repairs are in this category.

Billable Services - This category of accounts is used to record costs that are reimbursable by other entities. There is an equal amount budgeted for revenue to offset these costs.

Reclamation Tertiary Plant and System O&M - Budget is based upon anticipated recycled and well water demand as provided by MCWRA. The anticipated revenue from MCWRA equals budgeted expenditures.

Salinas River Diversion Facility O&M - Budget is based upon anticipated recycled and well water demand as provided by MCWRA. The anticipated revenue from MCWRA equals budgeted expenditures.

Expenditures

Estimated 2010/11 Actual to 2011/12 Budget

Description	2010/11 Est. Actual	2011/12 Budget	11/12 Budget	
			Cost Inc./-Decr	% Inc./-Decr
Wages & Benefits	\$9,165,946	\$9,431,386	\$265,440	2.90%
Training & Administration	106,175	131,625	25,450	23.97%
Office Expenses	275,400	284,425	9,025	3.28%
Information Systems	247,500	266,075	18,575	7.51%
Professional Services	655,468	639,500	-15,968	-2.44%
Operating Supplies	411,355	384,200	-27,155	-6.60%
Contract Services	494,335	529,050	34,715	7.02%
Chemicals	1,148,800	1,239,300	90,500	7.88%
Utilities	2,272,283	2,425,793	153,510	6.76%
Maintenance & Repairs	1,272,888	1,193,280	-79,608	-6.25%
Billable Services	19,000	23,500	4,500	23.68%
Total O&M	\$16,069,150	\$16,548,134	\$478,984	2.98%
Debt Service	1,545,709	1,471,646	-74,063	-4.79%
Capital Projects	N/A	986,258	986,258	100%
Major O&M	N/A	450,000	450,000	100%
Transfer to (from) Reserves	613,441	17,693	-595,748	-97.12%
Total MRWPCA	\$18,228,299	\$19,473,731	\$1,245,432	6.83%
Reclamation - Plant	1,955,724	1,839,605	-116,119	-5.94%
Reclamation - Distrib.	1,036,374	1,198,034	161,660	15.60%
Salinas River Diversion Facility O&M	895,999	865,306	-30,693	-3.43%
Total General Fund	\$22,116,396	\$23,376,676	\$1,260,280	5.70%



Funds, Debt Service and Investments

Background/Overview

The Monterey Regional Water Pollution Control Agency (MRWPCA) operates with a General Fund (GF) and Reserve Account (GFR), Capacity Charges Fund (CCF), Capitalized Equipment Fund (CEF), O&M Repair Fund (OMRF), Urban Reclamation Fund (URF), Debt Service (DS), Capital Projects Fund (CPF) and various investment accounts. Below is a brief explanation of these:

Funds

General Fund (GF)

The GF is the MRWPCA's operating fund and generates its revenue from sewer user fees and a number of other revenues. The fund consists of seven separate departments (ten including three departments for Reclamation) for tracking expenses. The fund is also tracked by categories as shown on pages 4-9. The other substantial expense is Debt Service as shown on pages 10-12.

The MRWPCA approves a balanced budget each fiscal year beginning on July 1. The procedure for a balanced budget is, as follows:

1. Establish expenses for the upcoming year.
2. Establish other revenues for the upcoming year, plus prior year carryover.
3. Determine whether user fee rates will have to be adjusted to balance the budget.

Capitalized Equipment Fund (CEF)

The CEF was created for the purpose of stabilizing and avoiding sudden negative budgetary impacts in a particular year due to the purchase of capitalized equipment (\$2,500 and above). This fund is required as part of the Grant Revenue Program Guidelines. Funding for the CEF comes from the CPF. Details of the Equipment Fund can be found on pages 30-32.

Major O&M Repair Fund (OMRF)

The OMRF was created for the purpose of stabilizing and avoiding sudden negative budgetary impacts in a particular year due to the unforeseen repair of large O&M items (i.e., interceptors, pipeline, etc.). This fund is similar to the Equipment Replacement Fund, except that it will be used to account for large non-capitalized repairs. Details of the Repair Fund can be found on page 33.

General Fund Reserves (GFR)

The purpose of the GFR is to maintain adequate funds for the GF for unforeseen impacts and swings in revenues and expenses that may occur from year to year. Currently, the interest earned in the GFR is transferred to the GF. It is also used to pay a portion of various capital projects and funds the OMRF, as well as any large insurance deductibles that may occur. In addition, the GFR is currently funding the urban reclamation projects. It is anticipated that once urban reclamation customers are established, these funds will be returned to the GFR.

Capital Projects Fund (CPF)

The CPF is the MRWPCA's fund for providing construction capital for MRWPCA facilities, funding for the CEF and paying a portion of the Agency's Debt Service. Funding for the CPF is provided primarily from capacity charges and GFR. Depending on the size of projects, this fund may get additional funds from long-term financing. Details of the projects can be found on pages 26-29.

Urban Reclamation Fund (URF)

The URF was created for the purpose of funding the ongoing planning and public outreach for providing urban reclamation to a number of our entities. The current funding is coming from the GFR. It is anticipated that once urban reclamation customers are established, these funds will be returned to the GFR. Details of the projects can be found on page 34.

Investments

Policies and Objectives

The MRWPCA invests funds not required for day-to-day operations in financial instruments, as permitted by policy and state regulations. The investment objectives are:

1. To assure safety of principal.
2. To retain liquidity to meet projected and unexpected cash needs of MRWPCA.
3. To attain the best available yield, while returning liquidity and minimizing risk.

No speculative or "trading" activity on securities is permitted.

At the April 2004 Board Strategic Planning Session, one of the goals was for staff to research other safe investment opportunities that would provide a better yield than we are currently getting with the Local Agency Investment Fund.

In researching other opportunities, staff contacted the California Asset Management Program (CAMP) which was established in 1989 to provide investment management services to California public agencies. As part of the program, public agencies can establish individual, professionally managed investment accounts by separate agreements with the Program's Investment Advisor and other agents. The Agency began using CAMP, effective July 2004. Staff will provide periodic updates and recommendations for future fiscal years.

Debt Service

Marina Loan

This is a loan from the State Water Resources Control Board (SWRCB) for the construction of a pump station and tie-in to connect the Marina Coast Water District (MCWD) to the regional wastewater system.

2006 Bonds

In August 2006, the MRWPCA issued \$10 million Capital Appreciation Bonds for the purpose of upgrading the Regional Treatment Plant in the area of biosolids, liquid waste, co-generation, and other treatment facilities.

2003 Bonds

These refunding bonds were issued beginning June 2003 to replace the 1993 and 1994 bonds. The purpose was to take advantage of low interest rates.

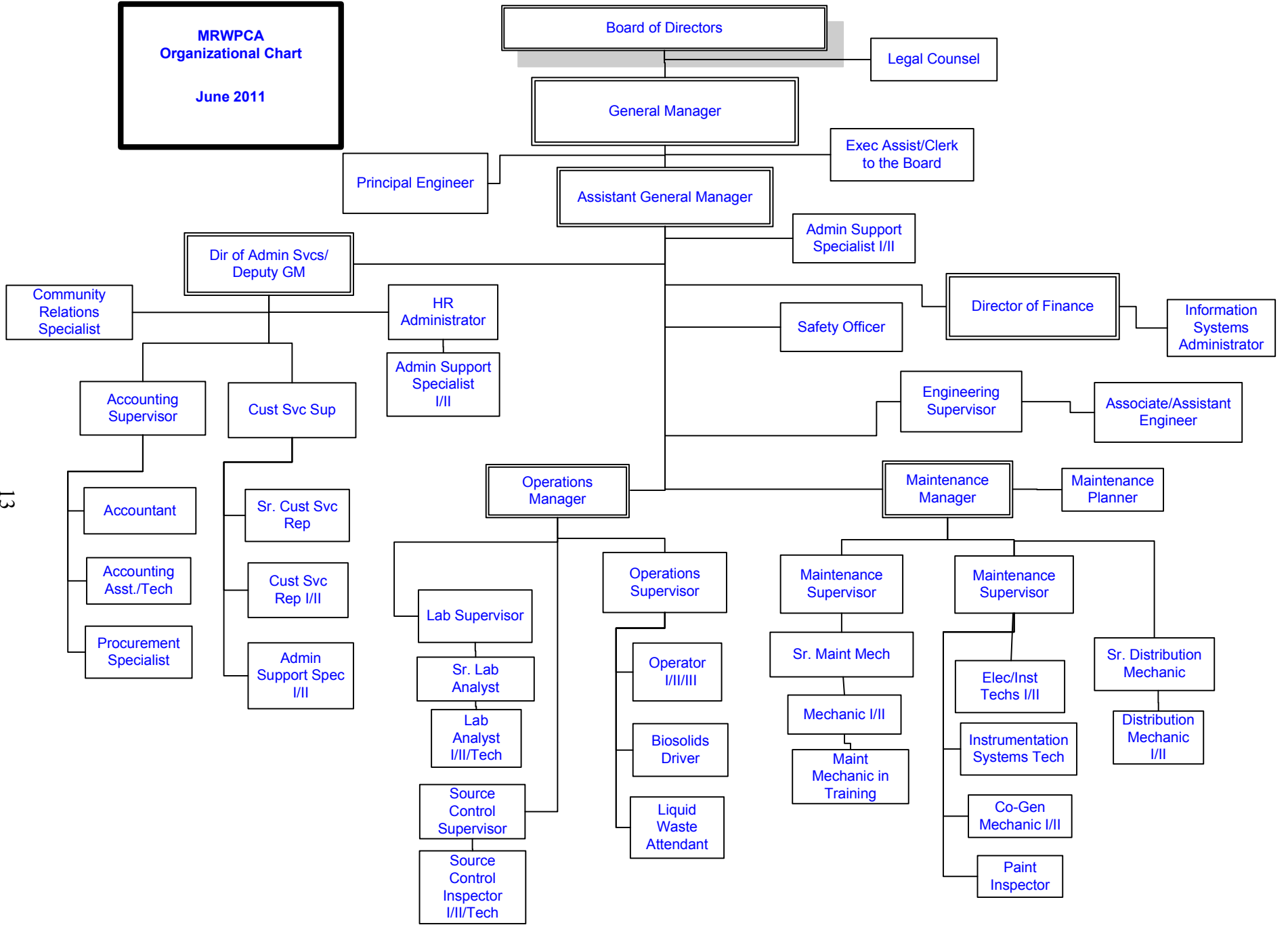
Summary of Debt Service				
<i>Fiscal Year 2011/12 Budget</i>				
Fiscal Year	SWRCB Loan	2003 Bonds	2006 Bonds	Total Annual Requirements
2011/12	224,632.31	1,256,250.00	481,312.50	1,962,194.81
2012/13	224,632.31	1,224,750.00	481,312.50	1,930,694.81
2013/14	224,632.31	660,125.00	931,312.50	1,816,069.81
2014/15		992,600.00	712,187.50	1,704,787.50
2015/16		917,200.00	701,562.50	1,618,762.50
2016/17		998,400.00	515,937.50	1,514,337.50
2017/18			1,412,750.00	1,412,750.00
2018/19			1,299,000.00	1,299,000.00
2019/20			1,203,500.00	1,203,500.00
2020/21			1,210,500.00	1,210,500.00
2021/22			1,230,000.00	1,230,000.00
2022/23			1,231,250.00	1,231,250.00
2023/24			1,180,000.00	1,180,000.00
2024/25			1,128,750.00	1,128,750.00
2025/26			1,102,500.00	1,102,500.00
2026/27				0.00
Totals	\$673,896.93	\$6,049,325.00	\$14,821,875.00	\$21,545,096.93

Debt Schedules			
<i>Fiscal Year 2011/12 Budget</i>			
General Fund 2011/12	Interest	Principal	Payments
Bonds:			
Series 2003	\$169,687.50	\$772,500.00	\$942,187.50
Series 2006	360,984.40	-0-	360,984.40
Loans: SWRCB	14,744.62	153,729.60	168,474.22
Totals:	\$545,416.52	\$926,229.60	\$1,471,646.12

Capital Improvement Program 2011/12	Interest	Principal	Payments
Bonds:			
Series 2003	\$56,562.50	\$257,500.00	\$314,062.50
Series 2006	120,328.10	-0-	120,328.10
Loans: SWRCB	4,914.88	51,243.20	56,158.08
Totals:	\$181,805.48	\$308,743.20	\$490,548.68

**MRWPCA
Organizational Chart**

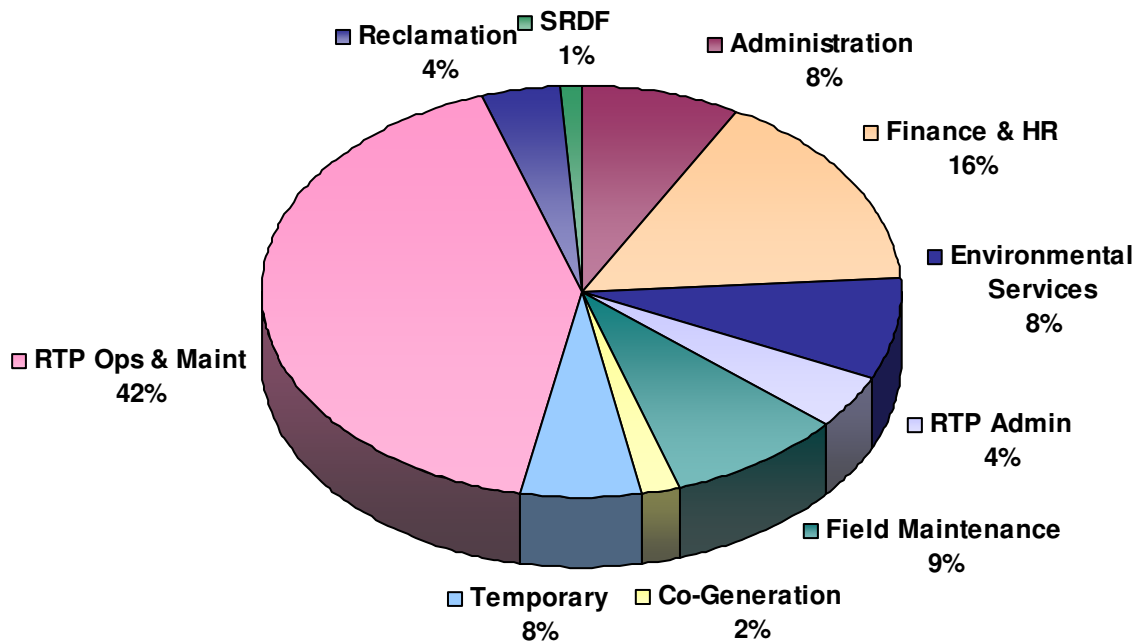
June 2011



Staff Position Allocations

FY 2011/12 Budget

	10/11 Budget	11/12 Budget	Change
Administration	6.0	6.0	0.0
Finance and HR	13.0	13.0	0.0
Environmental Services	6.0	6.0	0.0
RTP Administration	3.0	3.0	0.0
Field Maintenance	7.0	7.0	0.0
Co-Generation	1.0	2.0	1.0
RTP Operations & Maintenance	34.0	33.0	(1.0)
Total Regular Employees	70	70	0.0
Temporaries/Interns	6.0 FTE	5.0 FTE	(1.0)
Total Employees w/o Reclamation	76.0	76.0	(1.0)
Reclamation	4.0	3.0	(1.0)
Salinas River Diversion Facility (SRDF)	1.0	1.0	0.0
Total Employees w/Reclamation	81.0	79.0	(2.0)



Department 10 – Administration

Administration Department provides long-range planning, revenue-generating ideas, community relations, and information systems for MRWPCA.

General Manager and Deputy General Manager, while interfacing directly with the Board of Directors, work together to provide guidance and coordination to the various areas of responsibility overseeing the administrative operations of the Agency.



Community Relations Specialist is responsible for implementing the MRWPCA community relations programs. This includes public education, school outreach and service programs focusing on water recycling principles, water sources and conservation, pollution prevention, and proper waste disposal.

Information Systems Specialist is responsible for installation, integration, evaluation and maintenance of the Agency’s local and wide area networks and serving as technical resource to staff on use of computers and related equipment. Additionally serves as communication resource for telephone and audio/visual equipment for Administration and Regional Treatment Plant.

2011/12 Expenditures	10/11 Budget	10/11 Est. Actual	11/12 Approved
Wages and Salaries	\$454,464	\$493,511	\$500,227
Employee Benefits	392,853	394,892	412,414
Other Benefits	37,600	37,650	37,700
Office Expense	132,600	152,500	149,500
Information System	50,000	54,000	50,000
Professional Services	418,000	459,200	422,500
Operating Supplies	4,000	4,000	4,000
Contract Services	12,880	12,900	12,900
Utilities	35,150	35,983	36,220
Maintenance and Repairs	22,000	26,000	25,000
Billable Services	0	0	0
Totals	\$1,559,547	\$1,670,636	\$1,650,461

Department 13 – Finance/Human Resources

The Finance/Human Resources Department is responsible for the overall financial management of MRWPCA. The entire department is committed to delivering exceptional financial and human resources services and support to our customers.



Finance is responsible for preparing and maintaining accurate records of MRWPCA’s fiscal activities. The areas of responsibility include financial statements, investments, banking activities, purchasing, risk management, fixed assets, budget analysis and control, payroll, accounts payable, audits and grant/loan administration.

Customer Service is responsible for maintaining 55,000 customer accounts, billing for sewage treatment and disposal, and issuing sewer capacity permits for new construction. Customer Service ensures billing equity for all of its residential, commercial, industrial and military users.

Human Resources is responsible for coordinating recruitment, benefits administration, training and travel, and interpreting and applying current labor laws and MRWPCA personnel policies.

2011/12 Expenditures	10/11 Budget	10/11 Est. Actual	11/12 Approved
Wages and Salaries	\$1,086,896	\$1,081,406	\$1,065,586
Employee Benefits	603,658	587,200	637,771
Other Benefits	80,100	51,100	73,700
Office Expense	58,450	47,200	51,050
Information Systems	183,090	186,400	185,075
Professional Services	70,500	70,800	67,000
Operating Supplies	0	0	0
Contract Services	250	0	0
Utilities	240	400	0
Maintenance and Repairs	0	0	450
Totals	\$2,083,184	\$2,024,506	\$2,080,632

Department 25 – Environmental Services

The Environmental Services Department includes the Laboratory, Source Control and Environmental Specialties. The Laboratory provides support services for treatment plant process control, permit compliance and industrial waste monitoring. Additionally, the Laboratory continues to participate in the Central Coast Long-Term Environmental Assessment Network (CCLEAN) monitoring programs and providing support to the National Marine Sanctuary in its ongoing research efforts. Source Control provides support services to the treatment plant by monitoring and controlling the discharge of toxic, hazardous and problem pollutants at the source before they become a problem at the treatment plant. The Environmental Specialties section is responsible for managing environmental aspects of MRWPCA.



2011/12 Expenditures	10/11 Budget	10/11 Est. Actual	11/12 Approved
Wages and Salaries	\$563,022	\$603,567	\$552,450
Employee Benefits	388,804	349,405	349,286
Other Benefits	2,450	1,825	2,450
Office Expense	7,300	4,750	7,800
Information System	0	0	9,000
Operating Supplies	47,500	38,605	47,700
Contract Services	303,000	297,635	341,550
Utilities	1,500	1,500	1,500
Maintenance and Repairs	7,500	16,188	12,500
Billable Services	2,000	2,000	2,500
Totals	\$1,323,076	\$1,315,475	\$1,326,736

Department 30 – RTP Administration

RTP Administration Department is a centralized support service team located at the Regional Treatment Plant Facility. The services provided include, but are not limited to, the following:

- Under direction of the Assistant General Manager, provides leadership to all Agency departments.
- Monitor all aspects of the MRWPCA Safety Program.



2011/12 Expenditures	10/11 Budget	10/11 Est. Actual	11/12 Approved
Wages and Salaries	\$326,439	\$324,032	\$328,186
Employee Benefits	180,263	180,508	189,491
Other Benefits	7,700	8,000	9,000
Office Expense	23,750	21,250	24,000
Information Systems	5,000	5,100	5,000
Professional Services	15,000	10,000	30,000
Operating Supplies	53,000	52,500	53,000
Contract Services	64,500	62,500	68,500
Utilities	1,400	1,400	1,400
Maintenance and Repairs	500	500	500
Totals	\$677,522	\$665,790	\$709,077

Department 32 – Field Maintenance

The Field Maintenance Department consists of mechanics, an instrumentation/electrician technician and the Field Maintenance Supervisor. The group's primary responsibility is the operation and maintenance of the Agency's 10 pump stations and 16 lift stations owned by Pacific Grove, Monterey and Seaside. Additionally, Field Maintenance is responsible for the Agency's 30 miles of transportation interceptors and 28 Air Relief Stations. MRWPCA's Spill Prevention Program is maintained by the department as well. Monterey County contracted Field Maintenance to assist with instrumentation/electrical needs.



2011/12 Expenditures	10/11 Budget	10/11 Est. Actual	11/12 Approved
Wages and Salaries	\$654,975	\$656,839	\$643,750
Employee Benefits	356,544	373,786	374,509
Other Benefits	1,000	1,500	1,500
Office Expense	2,100	2,100	2,100
Information System	8,000	4,000	11,000
Professional Services	18,000	18,000	18,000
Operating Supplies	36,423	37,500	36,800
Contract Services	17,500	27,300	22,100
Chemicals	813,000	813,000	828,000
Utilities	1,301,482	1,309,700	1,277,000
Maintenance and Repairs	462,400	447,400	425,000
Billable Services	17,000	17,000	21,000
Totals	\$3,688,424	\$3,708,125	\$3,660,759

Department 37 – Cogeneration

The Cogeneration Department consists of mechanics whose primary responsibility includes the operation and maintenance of the three 580kW generator sets and auxiliary equipment necessary to provide power for the Plant. Cogeneration’s duties include operation and maintenance of the Agency’s 13 emergency generators at the pump stations and the additional 7 emergency generators for member entities. The portable pumps and generators are also maintained by Cogeneration.



2011/12 Expenditures	10/11 Budget	10/11 Est. Actual	11/12 Approved
Wages and Salaries	\$114,324	\$172,776	\$183,821
Employee Benefits	51,119	67,945	101,435
Other Benefits	200	100	100
Office Expense	200	100	100
Information System	0	0	0
Professional Services	29,500	29,500	32,000
Operating Supplies	24,200	55,750	24,950
Contract Services	13,500	13,500	14,000
Chemicals	7,800	6,800	7,800
Utilities	500,450	475,450	565,423
Maintenance and Repairs	243,530	251,300	257,830
Totals	\$984,823	\$1,073,221	\$1,187,459

Department 40 – RTP Operations and Maintenance

The Operations Department, Equipment Maintenance Department, Utilities Department, and Engineering Services Department make up the RTP Operations and Maintenance Department. These groups work together to ensure the final effluent is of the highest quality and that the recycled water is safe for reuse.



2011/12 Expenditures	10/11 Budget	10/11 Est. Actual	11/12 Approved
Wages and Salaries	\$2,430,609	2,279,169	\$2,326,175
Employee Benefits	1,727,172	1,600,910	1,766,285
Other Benefits	7,175	6,000	7,175
Office Expense	50,575	47,500	49,875
Information System	6,000	6,000	6,000
Professional Services	69,000	67,968	70,000
Operating Supplies	209,550	223,000	217,750
Contract Services	64,750	72,500	70,000
Chemicals	305,000	329,000	403,500
Utilities	553,850	447,850	544,250
Maintenance and Repairs	422,600	531,500	472,000
Totals	\$5,846,281	\$5,611,397	\$5,933,010

Department 50 – Water Recycling

The Water Recycling Department (or Reclamation Operations), in partnership with Monterey County Water Resources Agency (MCWRA), is responsible for reliably producing water that meets our Salinas Valley customers’ needs for irrigation and seawater intrusion reduction. An integral part of our mission is to continue to be responsive to our diverse customers and their ever-changing demands.



2011/12 Expenditures	10/11 Approved	10/11 Est. Actual	11/12 Approved
Salaries and Benefits	\$427,499	\$427,499	\$413,056
Other Benefits	1,500	1,500	1,500
Office Expense	3,000	3,000	5,000
Professional Services	40,000	40,000	40,000
Operating Supplies	24,000	24,000	24,000
Contract Services	21,000	21,000	21,000
Chemicals	566,585	566,585	515,000
Utilities	427,520	427,520	391,307
Maintenance and Repairs	259,900	259,900	246,500
Billable Services	184,720	184,720	182,242
Capital Outlay	0	0	0
Totals	\$1,955,724	\$1,955,724	\$1,839,605

Department 55 – Reclamation Distribution

The Reclamation Distribution Department includes distribution operators and a half-time lab analysis technician. Additional funds are budgeted for support for a mechanic and/or instrumentation technician when needed. These employees operate the Reclamation Distribution System which provides recycled water to over 12,000 acres.

The system is designed to provide the agriculture industry in the Castroville area with recycled water to help prevent further seawater intrusion into the area's aquifers. Customer service is provided by ensuring that the system can provide the growers with efficient recycled water delivery and optimize cost effectiveness.



2011/12 Expenditures	10/11 Approved	10/11 Est. Actual	11/12 Approved
Salaries and Benefits	\$446,506	\$446,506	\$457,809
Other Benefits	3,200	3,200	3,400
Office Expenses	3,650	3,650	3,400
Professional Services	59,500	59,500	89,000
Operating Supplies	14,450	14,450	15,050
Contract Services	70,800	70,800	47,800
Utilities	260,150	260,150	370,950
Maintenance and Repairs	70,000	70,000	91,500
Billable Services	108,118	108,118	119,125
Totals	\$1,036,374	\$1,036,374	\$1,198,034

Department 57 – Salinas River Diversion Facility Operations & Maintenance

The SRDF includes an inflatable dam in the Salinas River with a fish ladder to allow for fish passage. A pump station and pipeline carry the water to the Regional Treatment Plant where the water is screened and disinfected. Finally, the water is mixed with recycled water from the SVRP and distributed to the growers through the CSIP system.

The SRDF Department includes portions of the distribution operator’s time and most of a lab analysis technician’s time. Additional funds are budgeted for support for operators to provide chlorine disinfection and mechanics for repairs.



2011/12 Expenditures	10/11 Approved	10/11 Est. Actual	11/12 Approved
Salaries and Benefits	\$189,570	\$189,570	\$193,356
Other Benefits	500	500	500
Office Expense	2,750	2,750	2,750
Professional Services	10,000	10,000	10,000
Operating Supplies	9,550	9,550	9,550
Contract Services	9,000	9,000	39,000
Chemicals	55,047	55,047	48,100
Utilities	465,500	465,500	400,500
Maintenance and Repairs	33,700	33,700	41,200
Billable Services	120,382	120,382	120,350
Capital Outlay	0	0	0
Totals	\$895,999	\$895,999	\$865,306

Summary of Agency Reserves

Fiscal Year 2011/12

General Fund Reserves (GFR)	Beg. Balance	Activity	End. Balance
Beginning Balance 7/1/11	\$6,000,000		
Interest Earned		30,000	
Transfer From Major O&M Repair Fund		300,000	
Transfer Interest to General Fund		-30,000	
Transfer To General Fund Operations		-68,767	
Transfer To Capital Projects Fund		0	
Transfer To Capitalized Equipment Fund		-100,000	
Transfer To Urban Reclamation Fund		-280,000	
Transfer To Major O&M Repair Fund		0	
Ending Balance 6/30/12	\$6,000,000	-148,767	\$5,851,233

Capital Projects Fund (CPF)	Beg. Balance	Activity	End. Balance
Beginning Balance 7/1/11	\$5,500,000		
Capital Borrowing			
Interest Earned		20,000	
Sewer Capacity Fees		705,653	
Transfer From General Fund		986,258	
Debt Service		-490,549	
Capital Projects		-3,815,000	
Ending Balance 6/30/12	\$5,500,000	-2,593,638	\$2,906,362

Capitalized Equipment Fund (CEF)	Beg. Balance	Activity	End. Balance
Beginning Balance 7/1/11	\$1,150,000		
Interest Earned		11,500	
Transfer From General Fund		100,000	
Capitalized Equipment Purchases		-750,000	
Ending Balance 6/30/12	\$1,150,000	-638,500	\$511,500

Major O&M Repair Fund (OMRF)	Beg. Balance	Activity	End. Balance
Beginning Balance 7/1/11	\$300,000		
Interest Earned		0	
Transfer To General Fund		-300,000	
Major O&M Projects - moved to General Fund			
Ending Balance 6/30/12	\$300,000	-300,000	\$0

Urban Reclamation Fund (URF)	Beg. Balance	Activity	End. Balance
Beginning Balance 7/1/11	\$0		
Interest Earned		0	
Transfer From General Fund Reserves		280,000	
Urban Reclamation Projects		-280,000	
Ending Balance 6/30/12	\$0	0	\$0

Totals	\$12,950,000	-3,680,905	\$9,269,095
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Capital Projects Fund

FY 2011/12 Budget

Capital Projects Fund	2010/11		2011/12 Budget	Change
	Est. Actual	Budget		10/11 vs. 11/12 Budget
Revenues				
Balance Forward	\$7,272,070	\$6,039,647	\$5,500,000	(\$539,647)
Interest Earned	20,000	20,000	20,000	0
Sewer Capacity Fees	500,000	667,411	705,653	38,242
Transfer from General Fund	1,223,166	0	986,258	986,258
Capital Borrowing				
Total Revenue	\$9,015,236	\$6,727,058	\$7,211,911	\$484,853
Expenses				
Debt Service	\$515,236	\$515,236	\$490,549	(24,687)
Transfer to Capitalized Eq. Fund	0	0	0	0
Capital Projects	3,000,000	4,282,000	3,815,000	(467,000)
Total Expenses	\$3,515,236	\$4,797,236	\$4,305,549	(\$491,687)
Balance	\$5,500,000	\$1,929,822	\$2,906,362	\$976,540

CAPITAL PROJECTS FOR FISCAL YEAR 2011/2012

CP203- Digester Mixing System Upgrades

In 2006, the gas mixing system on Digester #4 was replaced with a higher efficiency pump mixing system. In 2009 the design was completed for installation of two more pump mixing systems on Digesters #2 and 3. This project will construct the improvements to those two digesters. Total project cost is estimated at \$1,750,000. Expenses in FY 11/12 is estimated at \$1,350,000.

Approved FY11/12 Budget: \$1,350,000 (Construction)
 \$1,350,000

CP220- Bioflocculation Blowers, Diffusers, Control System

The existing biofloc system is inefficient and unable to provide a sufficient amount of dissolved oxygen in the system. This project will incorporate the recommendations of a study completed in 2009 to upgrade the blowers, diffusers, and control system with current technology. Total project cost is estimated at \$1,855,000. Expenses in FY 11/12 is estimated at \$1,355,000

Approved FY11/12 Budget: \$ 200,000 (Design)
 \$1,155,000 (Construction)
 \$ 1,355,000

CP230- Headworks Wet Scrubber Replacement

The wet scrubbers at the headworks have required intensive maintenance and chemicals to remain in working order. Construction of one system was completed in FY10/11 and testing has been underway to obtain approval from the Air Board to go forward with the second wet scrubber in FY11/12.

Approved FY11/12 Budget: \$ 55,000 (Construction)
 \$ 55,000

CP247- Primary Clarifiers 1-4 Pump Pit Roof

The roof on the Primary Clarifier Pump Pit was removed several years ago due to corrosion. This project will include design and installation of a new metal roof over the pump pit to keep equipment from corroding due to exposure to the elements.

Approved FY11/12 Budget: \$ 30,000 (Design)
 \$ 140,000 (Construction)
 \$ 170,000

CP248- Screwpress Sampling and Monitoring Manhole

For process control and to determine the efficiency of the screw presses, a new manhole will be installed with a flow meter and composite sampler incorporated.

Approved FY11/12 Budget: \$ 25,000 (Construction)
 \$ 25,000

CP249- Biocell Wall

Several years ago the plant began accepting liquid waste loads known as “biocell loads”. These loads must be handled separately from the plant flows and are discharged directly from incoming trucks to a drying bed currently outfitted with a dirt berm to keep the water in a contained area. This project will result in a more permanent water-tight area for biocell loads to be discharged.

Approved FY11/12 Budget: \$ 5,000 (Design)
 \$ 45,000 (Construction)
 \$ 50,000

CP250- Maintenance Building Roof Replacement

Leaking areas of the Maintenance Building Roof were replaced in 2007. The remaining areas of the roof should be replaced before more leaks occur.

Approved FY11/12 Budget: \$ 50,000 (Construction)
 \$ 50,000

CP251- Fire Alarm System Upgrades

Some areas of the plant require upgrades to the existing fire alarm system including installation of visual strobes. These are safety upgrades so that alarms can be heard and/or seen in all areas of the plant.

Approved FY11/12 Budget: \$ 50,000 (Construction)
 \$ 50,000

CP252- Administration Building Roofs

This project will repair and replace the roofs on our two administration buildings, at the Treatment Plant and at Ryan Ranch.

Approved FY11/12 Budget: \$ 100,000 (Construction)
 \$ 100,000

CP253- Chemical Building Roof

This project will replace the roof on our old Chemical Building which has resulted in numerous leaks inside the electrical room over the years.

Approved FY11/12 Budget: \$ 60,000 (Construction)
 \$ 60,000

CP254- Seismic Evaluations

Seismic evaluation of several buildings at the Regional Treatment Plant including Trickling Filter Electrical Building, Bioflocculation Building, Storage Building, Chemical Building and the tank anchorage at the Fire Pump Station.

Approved FY11/12 Budget: \$ 100,000 (Design)
 \$ 100,000

CP255- Salinas Pump Station Capacity Enhancement

This project will begin the Environmental Review and Design necessary for capacity enhancements to the Salinas Pump Station. Staff has begun preparing a Request for Proposals for development of a Programmatic EIR for work to be done at the pump station.

Approved FY11/12 Budget: \$ 150,000 (Design)
 \$ 150,000

CP246- Coral St Pump Station Structural Rehab

The Coral Street Pump Station lid will be replaced and work on plans to move the electrical equipment out of the pump station and uphill from the ocean will continue.

Approved FY11/12 Budget: \$ 15,000 (Design)
 \$ 125,000 (Construction)
 \$ 140,000

CP256- Castroville Pump Station Rebuild Influent Manhole

The influent manhole to the Castroville Pump Station has deteriorated significantly due to high H2S levels from the Moss Landing and Castroville influent pipeline flows. A new manhole will be constructed with a coating to combat future deterioration.

Approved FY11/12 Budget: \$ 100,000 (Construction)
 \$ 100,000

CP257- Castroville Pump Station Recoat Influent Sluice Gate Vault

The influent sluice gate vault to the Castroville Pump Station contains grinders and sluice gates to isolate the pump station in an emergency. The sluice gate vault will be coated to ensure that concrete deterioration is minimized or eliminated.

Approved FY11/12 Budget: \$ 60,000 (Construction)
 \$ 60,000

TOTAL FY11/12 CAPITAL PROJECTS = \$3,815,000



Capitalized Equipment Fund

FY 2011/12 Budget

Capitalized Equipment Fund	2010/11		2011/12 Approved Budget	Change
	Est. Actual	Budget		10/11 vs. 11/12 Budget
Revenues				
Balance Forward	\$1,481,861	\$1,501,268	\$1,150,000	
Interest Earned	14,000	14,250	11,500	
Transfer from General Fund Reserves	175,000	175,000	100,000	
Total Revenue	\$1,670,861	\$1,690,518	\$1,261,500	(\$295,774)
Expenses				
Capitalized Equipment Purchases	520,861	688,481	750,000	
Total Expenses	\$520,861	\$688,481	\$750,000	\$243,221
Balance	\$1,150,000	\$1,002,037	\$511,500	(\$538,995)

CAPITALIZED EQUIPMENT FOR FISCAL YEAR 2011/2012

1201- Pump Station SCADA Generator

This generator will provide emergency power so pump station SCADA alarms will remain active during power outages.

Approved FY11/12 Budget: \$ 15,500

1202-Digital Low Resistance Ohmmeter

A Digital Low Resistance Ohmmeter is an electrical test meter that measures continuity with a high amount of resolution. The existing grounding system at the RTP has deteriorated to the point where some of the electrical equipment is not properly grounded. This tool will be used to eliminate safety hazards from lack of grounding. This tool can also be used to perform predictive maintenance on motor and transformer windings as well as contact resistance measurements on transfer switches and breakers.

Approved FY11/12 Budget: \$ 5,000

1203- Castroville Pump Motor

A spare motor is need for the sewage pumps at the Castroville Pump Station to ensure reliability of the system when maintenance is necessary.

Approved FY11/12 Budget: \$ 70,000

1204- Castroville Emergency Generator

The existing generator will only power one VFD at full speed or two VFD's at a reduced percentage. The backup reduced voltage soft starts require more startup current and the existing generator shuts down if a soft start is activated. This is necessary to ensure power reliability when PG&E power is unavailable.

Approved FY11/12 Budget: \$ 120,000

1205- Salinas Dimminutor

This is the last of several grinders purchased over the past several years to replace aged equipment at the Salinas and Fort Ord Pump Stations. This unit is used for grinding solids at the pump station before the sewage flow reaches the sewage pumps.

Approved FY11/12 Budget: \$ 120,000

1206- Air Compressor 185 cfm

The Agency's existing towable compressor is a 375 cfm unit that is limited in use to 80 hours per year due to emissions controls on aging equipment. The new, smaller unit is needed for Seaside Pump Station to operate the air hoist in the wetwell when installing and removing the low flow pumps, as well as used at various locations around the RTP.

Approved FY11/12 Budget: \$ 15,500

1207- Vehicle Replacement Program

This is an on-going account originally intended to replace 10% of our vehicles annually. This request will replace four vehicles this fiscal year.

Approved FY11/12 Budget: \$ 58,200

1208- Snail Pump Guide Rails

Guide rails, piping, valve repositioning, and grating replacement to place the two snail pumps at the bioflocculation/aeration inlet channel on a proper guide system will allow removal of pumps without having to deal with discharge piping that is currently connected to pumps. It will clean up the area by not having holes with coming through the grating and makes it uniform with all other submersible pump locations in the plant.

Approved FY11/12 Budget: \$ 6,800

1209- Class "C"/Cooling Water NaOCl Pump Skid

Chemical pump will be installed in a weather-proof cabinet with electrical wiring and SCADA to bring tank level and pump controls to control room. This chemical pump station is needed for algae control at various locations throughout the RTP – clarifiers, thickeners, cogen, and screw press facility.

Approved FY11/12 Budget: \$ 10,000

1210- 6" Portable Dri-Prime Pump

This will be added to the Agency's emergency equipment and is necessary to pump sewage from a number of pump stations in emergency situations. We currently have one of these pumps that must be replaced due to Air Permit requirements.

Approved FY11/12 Budget: \$ 35,000

1211- Water Filtration System for Lab

The existing lab water filtration system is over 20 years old, and currently has warped filter housings. In addition, the system is not designed to treat the significantly reduced source water quality (well water degradation) that has occurred in recent years, and we are now seeing a significant decrease in the quality of the resulting product water. It is essential that the laboratory has access to a constant supply of high-quality water for analysis of all samples, preparation of standards and bacteriological media. The California ELAP Certification requires that reagent-grade water meets specific quality requirements, and the inconsistency of the existing treatment system puts the laboratory at risk of potentially failing to meet these requirements.

Approved FY11/12 Budget: \$ 15,000

1212- Ion Chromatograph

The Lab's existing Ion Chromatograph was declared obsolete for parts and servicing in 2008. This new unit has more advanced technology, resulting in reduced chemical costs, exposure and waste, reduced personnel time, greater productivity and analytical results that are more precise and accurate. This unit has built-in pre-treatment of samples, which will also minimize the cost of consumable parts needed to run the instrument.

Approved FY11/12 Budget: \$ 96,000

1213- Air Conditioning Unit in Admin Server Room

Replace the existing air conditioning unit in the server room of the Administration Building at Harris Court. The existing air conditioning unit has leaked in the past which poses a hazard in the server room and surrounding offices, and the refrigerant has leaked and needed to be recharged on more than one occasion.

Approved FY11/12 Budget: \$ 4,000

1214- Air Conditioning Unit in RTP Server Room

Replace the existing air conditioning unit in the server room of the Regional Treatment Plant. The existing air conditioning unit is very old and has caused a lot of problems recently. It has leaked in the past which poses a hazard in the server room, and the refrigerant has leaked and needed to be recharged on more than one occasion.

Approved FY11/12 Budget: \$ 4,000

1215- Salinas VFDs

The VFDs at the Salinas Pump Station are at the end of their useful life because of the capacitor life cycle for the units. The existing VFDs are no longer made and new capacitors would cost as much as new VFD units. This is year three of a four year program to install new VFDs at the Salinas Pump Station.

Approved FY11/12 Budget: \$ 60,000

1216- Struvite Chemical Pump Station Skid

This will automate chemical injection for struvite control at the Screwpress Facility. Struvite builds up as crystalline precipitate that plugs piping and the screwpress screens and lowers the efficiency of the process.

Approved FY11/12 Budget: \$ 15,000

1217- Unbudgeted Equipment

This fund is for any currently unforeseen needs that come up during the fiscal year. Each year there are inevitably issues that come up that were not anticipated. This will allow us to have some budgeted funds for replacement of equipment as necessary.

Approved FY11/12 Budget: \$ 100,000

TOTAL FY11/12 CAPITAL EQUIPMENT = \$ 750,000

Major O&M Projects Fund

FY 2011/12 Budget

Major O&M Projects Fund	2010/11		2011/12 Budget	Change
	Est. Actual	Budget		10/11 vs. 11/12 Budget
Revenues				
Balance Forward	\$627,236	\$628,427	\$300,000	-\$328,427
Interest Earned	1,200	1,000	0	-1,000
Transfer from General Fund Reserves	0	0	0	0
Total Revenue	\$628,436	\$629,427	\$300,000	-\$329,427
Expenses				
Transfer To General Fund Reserves			300,000	300,000
Major O&M Projects - Included in the General Fund Expenditures	328,436	550,000	0	-550,000
Total Expenses	\$328,436	\$550,000	\$300,000	-\$550,000
Balance	\$300,000	\$79,427	\$0	\$220,573

Major O&M Project

FY 2011/12 Budget

Project No.	Major O&M Project	FY 11/12 Budget
NC404	Multiple Year Facility Coating Project	\$450,000
TOTALS		\$450,000

Urban Reclamation Fund

FY 2011/12 Budget

Urban Reclamation Fund	Actual thru 6/30/10	2010/11		2011/12 Budget	Change
		Est. Actual	Budget		10/11 Budget VS. 11/12 Budget
Revenues					
Balance Forward	\$0	\$0	\$735	\$0	(\$735)
Interest Earned	59,549	100	500	0	(500)
Transfer from General Fund Reserves	4,452,620	299,900	300,000	280,000	(20,000)
Total Revenue	\$4,512,169	\$300,000	\$301,235	\$280,000	(\$21,235)
Expenses					
Urban Reclamation Projects	4,512,169	300,000	300,000	280,000	(20,000)
Total Expenses	\$4,512,169	\$300,000	\$300,000	\$280,000	(\$20,000)
Balance	\$0	\$0	\$1,235	\$0	(\$1,235)





Urban Reclamation Projects

FY 2011/12 Budget

Project No.	Urban Reclamation Projects	FY 11/12 Budget
501	Urban Recycled Water Project	\$80,000
502	Groundwater Replenishment Project	200,000
TOTALS		\$280,000

*	Desal Brine Disposal Project Handled on a Reimbursement Basis
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LEGEND

-  INTERCEPTOR PIPELINE
-  OCEAN OUTFALL PIPELINE
-  MRWPCA OWNED PUMP STATION
-  CITY OWNED PUMP STATION
- MARINA* CITY OR DISTRICT SERVED BY MRWPCA
- MARINA NAME OF MRWPCA OWNED PUMP STATION

Monterey Bay

