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I hereby certify that the following agenda was posted at least 72 hours prior to the time of the meeting so noticed below at 24251 Los Alisos Boulevard, Lake Forest, California.

DENNIS P. CAFFERTY, Secretary
of the El Toro Water District and
the Board of Directors thereof

AGENDA

EL TORO WATER DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

ENGINEERING COMMITTEE MEETING AND FINANCE AND INSURANCE COMMITTEE MEETING

April 22, 2024

7:30 a.m.

BOARDROOM, DISTRICT OFFICE
24251 LOS ALISOS BLVD., LAKE FOREST, CA 92630

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the virtual component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Members of the public who wish to comment on any item within the jurisdiction of the District or on any item on the agenda, may attend the meeting in person at the District's office or may observe and address the Meeting by joining at this link: https://us02web.zoom.us/j/83704174897 (Meeting ID: 837 0417 4897).

Members of the public who wish only to listen to the telephonic meeting may dial in at the following numbers (669) 900-6833 or (346) 248-7799 with the same Meeting ID noted above. Please be advised the Meeting is being recorded.

CALL TO ORDER – President Monin

PLEDGE OF ALLEGIANCE – Director Freshley

ROLL CALL (Determination of a Quorum)

ORAL COMMUNICATIONS/PUBLIC COMMENTS

Members of the public may address the Board at this time or they may reserve this opportunity with regard to an item on the agenda until said item is discussed by the Board. Comments on other items will be heard at the times set aside for "COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS" or for "COMMENTS REGARDING NON-AGENDA FIC ITEMS." The public may identify themselves when called on and limit their comments to three minutes.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize item(s) which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

1. Consider Board Member's Request for Remote Participation (AB 2449)

FINANCE AND INSURANCE COMMITTEE MEETING

CALL MEETING TO ORDER – Director Havens

2. Consent Calendar (Reference Material Included)

(All matters under the Consent Calendar will be approved by one motion unless a Board member or a member of the public requests separate action or discussion on a specific item)

a. Consider approving the minutes of the March 25, 2024 Finance and Insurance Committee meeting (Minutes included).

Recommended Action: The Board will be requested to approve the above Consent Calendar.

FINANCIAL INFORMATION ITEMS

3. Update on the Implementation of the Springbrook Software System (Reference Material Included)

Staff will provide an update on the status of the implementation of the Springbrook Software System.

FINANCIAL ACTION ITEMS

4. **El Toro Water District 2024-2025 Budget (**Reference Material Included)

Staff will review and discuss two options for the proposed 2024-2025 Fiscal Year Budget assumptions and associated fiscal implications.

Recommended Action: Staff recommends that the Board of Directors 1) approve the El Toro Water District 2024-2025 Fiscal Year Operating & Capital Budget and 2) authorize staff to provide the required notice of the rate changes per the 2023 Proposition 218 Notice.

5. **Quarterly Insurance Report** (Reference Material Included)

Staff will review and comment on the Quarterly Insurance Report for the period October 1, 2023 through December 31, 2023.

Recommended Action: Staff recommends that the Board Receive and File the Quarterly Insurance Report for the period of October 1, 2023 through December 31, 2023.

6. **Quarterly Audit** (Reference Material Included)

Staff will review and comment on the quarterly audits of the District's financials for the periods July 1, 2023 to September 30, 2023 and the period from October 1, 2023 to December 31, 2023 as presented by CliftonLarsonAllen.

Recommended Action: Staff recommends that the Board receive and file the quarterly audit reports for the periods July 1, 2023 to September 30, 2023 and the period from October 1, 2023 to December 31, 2023 as presented by CliftonLarsonAllen.

7. **Financial Package - Authorization to Approve Payment of Bills for the Month Ending April 22, 2024 and Receive and File Financial Statements as of March 31, 2024** (Reference Material Included)

The Board will consider approving Bills for Consideration dated April 22, 2024 and Receive and File Financial Statements as of March 31, 2024.

Recommended Action: Staff recommends that the Board 1) approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending April 22, 2024, and 2) receive and file the Financial Statements for the month ending March 31, 2024.

COMMENTS REGARDING NON-AGENDA FIC ITEMS

CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

ENGINEERING COMMITTEE

CALL MEETING TO ORDER – Director Freshley

8. Consent Calendar

(All matters under the Consent Calendar will be approved by one motion unless a Board member or a member of the public requests separate action or discussion on a specific item)

a. Consider approving the minutes of the March 25, 2024 Engineering Committee meeting. (Minutes Included).

Recommended Action: The Board will be requested to approve the subject minutes.

ENGINEERING ACTION ITEMS

9. Lead and Copper Rule Revisions Compliance (Reference Material Included)

Staff will review and comment on revisions to the Federal Lead and Copper Rule and the proposed effort to achieve compliance with the new lead service line inventory requirements.

Recommended Action: Staff recommends that the Board of Directors authorize the General Manager to amend the existing cost sharing agreement with the Municipal Water District of Orange County in the amount of $51,209 for Phase 2 engineering services from Hazen and Sawyer as part of its Lead and Copper Rules Revision compliance assistance program.

10. Resolution No. 24-4-1 Integrated Comate Adaptation and Resiliency Program (ICARP) Adaptation Planning Grant Program
(Reference Materials Included)

Staff will review and comment on the ICARP grant application staff is preparing for the proposed Regional Potable Reuse Implementation Plan.

Recommended Action: Staff recommends that the Board of Directors adopt Resolution No. 24-4-1, authorizing the General Manager, or designee, to apply for, receive, and enter into a cooperative agreement, and administer a grant for the Integrated Climate Adaptation and Resiliency Program Adaptation Planning Grant Program.

RESOLUTION NO. 24-4-1

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT ("DISTRICT")
AUTHORIZING THE GENERAL MANAGER, OR DESIGNEE, TO APPLY FOR, RECEIVE, ENTER INTO A COOPERATIVE AGREEMENT, AND ADMINISTER A GRANT FOR THE INTEGRATED CLIMATE ADAPTATION AND RESILIENCY PROGRAM (ICARP) ADAPTATION PLANNING GRANT PROGRAM (APGP)

ENGINEERING INFORMATION ITEMS

11. <u>El Toro Water District Operations Report</u> (Reference Material Included)

Staff will review and comment on the El Toro Water District Operations Report.

12. <u>El Toro Water District Capital Project Status Report</u>
(Reference Material Included)

Staff will review and comment on the El Toro Water District Capital Project Status Report.

13. <u>Engineering Items Discussed at Various Conferences and Meetings</u>

The Committee will discuss any pertinent Engineering items discussed at Conferences.

COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS

CLOSE ENGINEERING COMMITTEE MEETING

REGULAR SESSION

ATTORNEY REPORT

CLOSED SESSION

At this time the Board will go into Closed Session as follows:

1. Pursuant to Government Code Section 54956.9(d)(1) to consult with legal counsel and staff regarding the following existing litigation: *Plaintiff, Marlene Jean v. Defendants, Dollar Tree Stores, Inc. et al.,* Superior Court of Los Angeles Case No. 19STCV25234.

2. Pursuant to Government Code Section 564956.9(d)(2) to consult with legal counsel and staff - Potential Litigation (one matter).

REGULAR SESSION

REPORT ON CLOSED SESSION (Legal Counsel)

Mr. Granito will provide an oral report on the Closed Session.

ADJOURNMENT

The agenda material for this meeting is available to the public at the District's Administrative Office, which is located at 24251 Los Alisos Blvd., Lake Forest, Ca. 92630. If any additional material related to an open session agenda item is distributed to all or a majority of the board of directors after this agenda is posted, such material will be made available for immediate public inspection at the same location.

Request for Disability-Related Modifications or Accommodations

If you require any disability-related accommodation, including auxiliary aids or services, in order to participate in this public meeting, please telephone the District's Recording Secretary, Polly Welsch at (949) 837-7050, extension 225 at least forty-eight (48) hours prior to said meeting. If you prefer, your request may be submitted in writing to El Toro Water District, P.O. Box 4000, Laguna Hills, California 92654, Attention: Polly Welsch.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
AND THE
FINANCE & INSURANCE COMMITTEE MEETING

March 25, 2024

At approximately 7:30 a.m. President Monin called the regular meeting to order.

Director Havens led in the Pledge of Allegiance to the flag.

Committee Members MARK MONIN, MIKE GASKINS, KAY HAVENS, KATHRYN FRESHLEY, and FRED ADJARIAN participated.

Also participating were DENNIS P. CAFFERTY, General Manager, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, GILBERT J. GRANITO, General Counsel, MIKE MIAZGA, IT Manager (Zoom), SHERRI SEITZ, Public Affairs Manager (Zoom), VICKI TANIOUS, Senior Accountant/Payroll, (Zoom), CAROL MOORE, Laguna Woods City Council Member (Zoom), and POLLY WELSCH, Recording Secretary.

Determination of a Quorum

Roll Call:

Director Adjarian	present
Director Freshley	present
Director Havens	present
Vice President Gaskins	present
President Monin	present

Five Board members are present at the meeting and therefore a quorum has been determined.

Oral Communications/Public Comment

There were no comments.

Items Too Late to be Agendized

President Monin asked if there were any items received too late to be agendized. Mr. Cafferty replied no.

Finance and Insurance Committee Meeting

At approximately 7:38 a.m. Director Havens called the Finance and Insurance Committee meeting to order.

Consent Calendar

Director Havens asked for a Motion.

Motion: Director Adjarian made a motion, seconded by President Monin to approve the Consent Calendar.

Roll Call Vote:

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Financial Information Items

Update on the Implementation of the Springbrook Software System

Mr. Cafferty stated that staff is utilizing the modules daily and getting a better comfort level with the functionality of Springbrook. He further stated that the District has migrated its payroll and time and attendance system back to ADP.

Mr. Cafferty stated that the modules that still need to be implemented are the Fixed Assets and Utility Billing and online payment processing. He further stated that staff is considering using Express Bill Pay to process credit card payments, which could be offered at a lower rate than current credit card processing transactions.

ETWD Deferred Compensation Plan (457 Plan) Quarterly Performance Report

Mr. Cafferty stated that included in the Board package is Empowers fourth quarter report of calendar year 2023.

2024/25 Fiscal Year Budget Status Update

Mr. Cafferty stated that included in the Board package is the Budget Schedule. He further stated that the Board suggested changing the meeting time of the Full Board Budget Workshop on April 11th to 4;00 p.m.

Financial Action Items

Financial Package - Authorization to Approve Payment of Bills for the Month Ending March 25, 2024 and Receive and File Financial Statements as of February 29, 2024

Director Havens asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by President Monin to approve, ratify, and confirm payment of the bills set forth in the schedule of bills for consideration dated March 25, 2024, and receive and file the financial statements for the period ending February 29, 2024.

Roll Call Vote:

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Comments Regarding Non-Agenda FIC Items

Ms. Moore stated that inflation and insurance rates continue to rise in California.

Adjournment

There being no further business the Finance Committee meeting was closed at approximately 7:50 a.m.

Respectfully submitted

POLLY WELSCH
Recording Secretary

APPROVED:

MARK MONIN, President
of the El Toro Water District and the
Board of Directors thereof

DENNIS P. CAFFERTY, Secretary
of the El Toro Water District and the
Board of Directors thereof

Agenda Item No. 3

STAFF REPORT

To: **BOARD OF DIRECTORS** **Meeting Date: April 22, 2024**

From: **Vishav Sharma, Chief Financial Officer**

Subject: **Springbrook Implementation – Progress Update**

Presented below are the activities, challenges, and opportunities of the ongoing Springbrook implementation process:

- The District has successfully implemented Springbrook's General Ledger, Bank Reconciliation, Project Management, Accounts Payable, Payroll, Cash Receipting, Accounts Receivable and Human Resources modules. Staff is utilizing these modules on daily basis and getting a better comfort level with the functionality of Springbrook.
- As discussed in the last month's meeting, the District has successfully migrated its payroll and time & attendance system back to ADP. The staff has finalized the payroll journal entries download file that can be up loaded into the Springbrook General ledger module.
- The modules that still need to be implemented: Fixed Assets and Utility Billing & online payment processing.
- Springbrook utility billing module implementation is progressing. The District staff sent last edits to Springbrook during the week of April 15. Springbrook has made significant progress on the billing statements and is working on addressing the rest of the issues. The tentative Utility billing go live date is June 2024.

Springbrook Utility Billing Project Schedule as of 3/25/2024:

Week/Day	System	Description	Complete
April 2024	Utility Billing	Quality control testing	Completed
June 2024	Utility Billing	Data pull and data review	Scheduled
June 2024	Utility Billing	Go live	Scheduled

Agenda Item No. 4

STAFF REPORT

To:	**Board of Directors**	**Meeting Date: April 22, 2024**
From:	**Dennis Cafferty, General Manager** **Vishav Sharma, CFO**	
Subject:	**El Toro Water District 2024-2025 Budget**	

At the Board Budget Workshop conducted on April 11 staff presented a detailed description of the proposed 2024-25 fiscal year operating and capital budget (Option 1). In addition to the proposed budget, staff identified an alternative based on data that had very recently become available. The alternative (Option 2) included two specific modifications to the 2024-25 budget:

1. Update the CPI index used for calculating the O&M charges to 3.9%

   The CPI figure used in the budget to calculate the increase in the Water and Sewer Operations and Maintenance Charges as well as the Private Fire Operations and Maintenance Charge presented at the Workshop (Option 1) was 2.8%. This figure was based on the Bureau of Labor Statistics 2023 calendar year CPI average. The CPI figure published by the Bureau of Labor Statistics for March 2024 is 3.9%. The language in the District's 2023 Proposition 218 Notice reads "The most recent CPI figure available prior to the implementation of the service charge increase will be used to calculate the rates." Staff confirmed with legal counsel that the use of the recent 3.9% CPI figure complies with the 2023 Proposition 218 Notice.

2. Increase the CPI basis for the labor budget merit pool from 2.8% to 3.5%.

   MWDOC recently completed a survey of proposed labor rate increases amongst more than 20 agencies. That survey, presented in the table below, identifies an average Cost of Living Allowance (COLA) amongst the surveyed agencies of slightly over 4%. The COLA referenced in the table is similar to the CPI component of the ETWD merit pool. The original budget (Option 1) contemplated the CPI component at 2.8%. Given the newly available data, staff recommended the Board consider increasing the CPI component of the District's merit pool from 2.8% to 3.5%. The resulting labor budget would therefore change the total (CPI plus Merit) from 5.8% to 6.5%.

COLA - MERIT SURVEY - APRIL 2024

Agency	COLA %	Merit Max%	Average Merit Increase Granted	Total COLA + Average Merit
Calleguas MWD	2.80%	3.00%	3.00%	5.80%
Central Basin MWD	5.00%	5.00%	5.00%	10.00%
Eastern MWD	2.00%	5.00%	2.50%	4.50%
El Toro WD	NC	5.80%	3.00%	5.80%
City of Fountain Valley	TBD	5.00%		TBD
Inland Empire Utilities Agency	TBD	7.50%		TBD
Irvine Ranch WD	TBD	7.50%		TBD
Laguna Beach County WD	4.00%	2.50%	2.50%	6.50%
Las Virgenes MWD	4.00%	5.00%	2.50%	6.50%
Mesa Water District	4.00%	5.00%	2.50%	6.50%
Moulton Niguel WD	8.00%	5.00%	2.50%	10.50%
Orange County Sanitation District	3.50%	5.00%	2.50%	6.00%
Orange Couny WD	4.50%	6.00%	3.00%	7.50%
San Clemente , City of	TBD	TBD		TBD
San Diego County Water Authority	5.00%	5.00%	2.50%	7.50%
Santa Margarita WD	5.00%	4.50%	3.50%	8.50%
South Coast Water District	5.00%	5.50%	3.75%	8.75%
Three Valleys Municipal WD	2.65%	5.00%	2.75%	5.40%
City of Tustin	2.00%	5.00%	2.75%	4.75%
Walnut Valley WD	4.00%	5.00%	5.00%	9.00%
West Basin MWD	NC	7.00%	4.00%	4.00%
Western Municipal Water District	2.90%	5.00%	2.50%	5.40%
Yorba Linda Water District	4.00%	5.00%	3.13%	7.13%
Average	**4.02%**	**5.20%**	**3.10%**	**6.70%**
MWDOC	NA			6.48%

TBD = Waiting to make determination on amount NC = No Cola

The Board requested Staff provide more detail about the impacts of the proposed changes to the Option 1 budget. The Option 2 budget is identical to the Option 1 budget presented at the Board Budget Workshop other than the two specific changes identified above. The impacts of the proposed changes are identified in the attached tables, identified as follows:

Table 1	Revenue Budget
Table 2	Labor Budget
Table 3	Expense Budget
Table 4	Cash from Operations
Table 5	Single Family Residence Sensitivity
Table 6	Laguna Woods Village Sensitivity
Table 7	Laguna Woods Village Sensitivity per Unit

The budget document for each option is also attached. Following approval of the budget, the appropriate budget document will be posted to the District website.

Recommended Action: Staff recommends that the Board of Directors 1) approve the El Toro Water District 2024-2025 Fiscal Year Operating & Capital Budget and 2) authorize staff to provide the required notice of the rate changes per the 2023 Proposition 218 Notice.

TABLE 1

Revenues	Budget Option 1	Budget Option 2	Delta
Commodity Supply Charges	12,336,195	12,336,195	-
Service Provision Charges	14,876,275	15,020,423	144,147
Capital Facilities Charges	5,009,153	5,009,153	-
Charges for Services	125,000	125,000	-
Other Operating Income	51,200	51,200	-
Grants, Rebates, Reimbursements	275,825	275,825	-
Property Taxes	1,320,800	1,320,800	-
Investment Income	550,000	550,000	-
Other Non-operating Income	298,400	298,400	-
Contributions	-	-	-
Revenues - Total	**34,842,849**	**34,986,996**	**144,147**

TABLE 2

Labor	Budget Option 1	Budget Option 2	Delta
Salary Expense	7,653,182	7,699,826	46,644
Health Insurance	1,266,729	1,266,729	-
Retirement Plan	1,212,468	1,219,988	7,520
All Other Benefits	213,871	215,019	1,148
Workers Compensation Insurance	166,739	167,772	1,033
Labor - Total	**10,512,989**	**10,569,334**	**56,345**
Capitalized Labor	**199,452**	**200,643**	**1,191**
O&M Labor	**10,313,537**	**10,368,691**	**55,154**

TABLE 3

Expense	Budget Option 1	Budget Option 2	Delta
Labor	10,313,537	10,368,691	55,154
Commodity Purchased for Resale	9,856,469	9,856,469	-
Contracted/Purchased Services	6,353,907	6,353,907	-
Commodities	1,332,695	1,332,695	-
Professional Development	324,450	324,450	-
Miscellaneous	72,800	72,800	-
Retiree Medical Insurance	350,000	350,000	-
Depreciation Expense	4,900,000	4,900,000	-
Amortization Expense	6,900	6,900	-
Interest Expense	2,107,805	2,107,805	-
Expense- Total	**35,618,563**	**35,673,716**	**55,154**

TABLE 4

Cash Generated by Operational Activities	Budget Option 1	Budget Option 2	Delta
Revenue from Operating Activities	29,833,696	29,977,843	144,147
Expenses from Operating Activities	28,603,858	28,659,011	55,154
Recycled water Revenue used for Debt Service	429,472	425,582	(3,890)
Less Restricted Revenues	626,917	626,917	-
Cash Generated from Operations	**173,449**	**266,333**	**92,884**

TABLE 5

Single Family Residential Sensitivity Analysis			
Billing Item	**Current Rate**	**Option 1**	**Option 2**
Tier I (10 ccf)	$30.00	$32.60	$32.60
Tier II (2 ccf)	$6.74	$7.26	$7.26
Water Fixed Meter	$24.72	$25.41	$25.68
Water Capital R & R	$8.33	$10.42	$10.42
Total Water	$69.79	$75.69	$75.96
Sewer O&M Charge	$37.98	$39.04	$39.46
Sewer Capital R & R	$8.87	$11.09	$11.09
Total Sewer	$46.85	$50.13	$50.55
Total Bill	$116.64	$125.82	$126.51
Increase		$9.18	$0.69
		7.9%	8.5%

TABLE 6

Laguna Woods Village Sensitivity Analysis				
Mutual	**2023/24 Annual Charges**	**Option 1**	**Option 2**	**Delta**
Third Mutual	$5,268,311	$5,686,122	$5,711,572	$25,450
United Mutual	$4,048,755	$4,354,521	$4,375,376	$20,854
Golden Rain Foundatior	$963,185	$1,039,247	$1,041,137	$1,890
Mutual 50	$214,305	$230,936	$231,858	$922
Total Community	$10,494,556	$11,310,826	$11,359,943	
Increase		$816,270	$865,387	$49,117
		7.8%	8.2%	

TABLE 7

THIRD LAGUNA HILLS MUTUAL			
Billing Item	Current Rate	Option 1	Option 2
Commodity Charge	$30.84	$33.30	$33.30
Water Fixed Meter	$12.88	$13.24	$13.38
Water Capital R & R	$5.07	$6.34	$6.34
Total Water	$48.79	$52.88	$53.03
Sewer Fixed Meter	$18.78	$19.31	$19.52
Sewer Capital R & R	$4.33	$5.41	$5.41
Total Sewer	$23.11	$24.72	$24.92
Total Bill	$71.90	$77.60	$77.95
	Increase	$5.70	$0.35

UNITED LAGUNA WOODS MUTUAL			
Billing Item	Current Rate	Option 1	Option 2
Commodity Charge	$22.32	$24.14	$24.14
Water Fixed Meter	$6.25	$6.42	$6.49
Water Capital R & R	$2.50	$3.13	$3.13
Total Water	$31.07	$33.69	$33.76
Sewer Fixed Meter	$18.78	$19.30	$19.51
Sewer Capital R & R	$3.55	$4.43	$4.43
Total Sewer	$22.32	$23.74	$23.94
Total Bill	$53.39	$57.43	$57.70
	Increase	$4.03	$0.28

MUTUAL 50 (TOWERS)			
Billing Item	Current Rate	Option 1	Option 2
Commodity Charge	$29.16	$31.55	$31.55
Water Fixed Meter	$3.70	$3.81	$3.85
Water Capital R & R	$1.45	$1.82	$1.82
Total Water	$34.32	$37.17	$37.21
Sewer Fixed Meter	$18.78	$19.30	$19.51
Sewer Capital R & R	$4.33	$5.41	$5.41
Total Sewer	$23.10	$24.71	$24.91
Total Bill	$57.42	$61.88	$62.13
	Increase	$4.46	$0.25

2024-2025 ANNUAL BUDGET

(OPTION 1)

2024 - 2025 ANNUAL BUDGET

EL TORO WATER DISTRICT

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Principal Officials
On the Budget Approval Date of April 22, 2024

PRESIDENT
Mark Monin

VICE-PRESIDENT

Michael Gaskins

BOARD OF DIRECTORS

Kathryn Freshley | Fred Adjarian | Kay Havens

GENERAL MANAGER

Dennis Cafferty

MANAGEMENT TEAM

Judy Cimorell	Director of Human Resources
Vishav Sharma	Chief Financial Officer
Scott Hopkins	Operations Superintendent
Mike Miazga	Information Technology Manager
Hannah Ford	Director of Engineering

The mission of the El Toro Water District is to provide its customers with safe, adequate, and reliable water, sewer, and recycled water services in an environmentally and economically responsible manner. The District intends to accomplish this mission by efficiently and effectively managing its operations and maintenance activities and prudently and effectively investing in its capital assets.

April 22, 2024

Presented for your review and consideration is the Budget document for the El Toro Water District for Fiscal Year 2025, which begins July 1, 2024 and ends June 30, 2025. The District's budget provides a framework for achieving the strategic objectives established by the District Board and illustrates how the resources entrusted to the District by customers are utilized to provide effective, efficient, and high quality water, wastewater, and recycled water services. The core purposes of the District's annual budget include estimating the financial resources that will be available to the District during the budget period and authorizing a spending plan that utilizes those financial resources to support the District's services, programs, and projects. The Budget is developed and modified through an extensive review process that involves the Board of Directors and Staff and reflects a continued commitment by the District to deliver safe, reliable, and high quality services to customers.

The District remains committed to keeping rates as low as possible for customers but the price increases that are happening in the economy are a severe challenge for achieving this goal. Last year the District published a three-year rate study and 218 Notice that identified a three-year rate plan to support its Operations and Maintenance and Capital budgets. After developing the 2024-25 draft budget and analyzing various scenarios, staff proposes the District continue to follow the path we created last year for the Operations and Maintenance and Capital rates.

The Metropolitan Water District approved budget identifies an 11% rate increase on the purchase of treated imported water instead of the expected seven percent increase when the rate study was prepared last year. In addition, similar cost pressures have contributed to rising O&M costs at the Baker Water Treatment Plant beyond those anticipated in the previous rate study. The cost of water supplies is passed on to the customers without adding any operations or capital charges. The increase in the cost of water is so significant that the staff is proposing a new rate study and 218 notice focused only on the water and recycled water commodity rates.

The process of developing the annual budget includes a thorough assessment of the external environment so the District can respond to challenges that may occur in a particular budget period.

The following examples of cost increases and decreases identify certain of the key drivers in the 2024-25 budget:

- Purchased water expense is projected to increase $744,169 or 8.29 %;
- Electrical Power expense is projected to increase $236,580 or 13.25%;
- SOCWA contract expense is projected to increase $100,000 or 9.09%;
- Retiree Health Insurance cost is projected to increase $50,000 or 16.67%;
- Chemical purchases (including treatment and laboratory chemicals) are projected to decrease by $19,800 or (5.28%). This is largely due to the assumed decrease in sales of recycled water.

In contrast to these expenses, which are necessary for District operations, Staff has strived to limit increases in expenses that are to some extent controllable. Examples include:

- Personnel costs are relatively controlled with a total increase of $253,744 from budget to budget. or 2.47%. Employee turnover has allowed Staff to control the total increase with new employees coming in with lower costs than retiring employees and not filling three open positions in the fiscal year 2024-25. In addition, a

portion of estimated capitalized labor has been shifted to the capital budget thereby reducing the impact on O&M expense to $54,477;
- Legal Services expenses remain stable in the 2024-2025 Budget;

Review of Accomplishments in the 2023 - 2024 Budget Period

Throughout the 2023 - 2024 budget period, the District accomplished many of the objectives and projects incorporated into the 2023 - 2024 Budget plan, including:

Significant Achievements & Projects

- The District's continued its commitment to excellent financial management practices as demonstrated by the receipt of the Certificate of Achievement for Excellence in Financial Reporting for the FY 2022 Comprehensive Annual Financial Report, a national recognition of the District's financial reporting by the Government Finance Officers Association (GFOA) of the United States.
- The District procured an Enterprise Resource Management software system to integrate its financial operations from three different software systems into one system. The implementation of the system occurred towards the end of the 2022 fiscal year and continued into the 2024 fiscal year.
- The District utilized the 2022 Revenue Bond proceeds to continue capital improvement projects that will refurbish significant portions of the District's infrastructure, as described below.

Infrastructure Improvements

The District is dedicated to invest in its infrastructure improvement needs so that the community can rely on its Water, wastewater and Recycled water utility.

- The Water system 2024-2025 capital budget includes replacing pumps and motors at Cherry Booster Station. In addition, multiple other capital projects for the Water System are budgeted for 2024-2025 including the R-4 Reservoir Mixing System replacement, the Mouton/El Toro Cathodic Protection Study, and several Human-Machine Interface (HMI) and Programmable Logic Controller (PLC) replacements.
- The Wastewater treatment system 2024-2025 capital budget includes several significant projects, including final design for rehabilitation of the Aliso Creek Pump Station, the rehabilitation of the Grit Chamber and the rehabilitation of the Headworks and Secondary Clarifier No. 1 at the WRP. In addition, multiple other capital projects for the Wastewater System are budgeted for 2024-2025 including the Westline Main Switchboard Replacement, Freeway Electrical Equipment Replacement, Westline Generator Replacement, and several Human-Machine Interface (HMI) and Programmable Logic Controller (PLC) replacements.
- The Recycled water 2024-2025 capital budget includes additional tertiary filter disks and tertiary disinfection system optimization. Any additional revenue beyond these expenditures generated from the capital rate charges is being used to pay the debt service costs.

Goals and Objectives for the 2024 – 2025 Budget

The 2024 – 2025 budget includes the following goals and objectives:

- Continue setting rates for operating activities that generate enough revenue to fully support operating expenses;
- Continue the process of increasing Capital Rates to generate additional Capital Facility revenue to fully fund the 2022 Revenue Bond debt service expenses from recurring revenue and to enhance investment in the District capital infrastructure which is necessary to provide reliable service;
- Establish a reliable, stable and predictable rate adjustment strategy that minimizes impact to customers;

- Generate a revenue plan to restore and maintain minimum reserve levels sufficient to fund legally restricted reserves, board mandated reserves and working capital requirements;
- Employ cost containment and reduction strategies and practices as appropriate to cost effectively maintain reliable service levels.

Assumptions Integrated into the 2024 – 2025 Budget

The following budgetary assumptions are incorporated into the budget:

Revenues

- Potable water sales are based on the purchase of 7,000 acre-feet (AF) of water and delivery of 6,700 AF to customers;
- The potable water usage charge which funds the purchase of water from the Metropolitan Water District through the Municipal Water District of Orange County and the purchase of water from the Baker Water Treatment Plant will increase by approximately 26 cents effective July 1, 2024 and is supported by an independently prepared Cost of Service Study Report;
- The potable water service charge (Water System Operations & Maintenance "O&M") will increase by 2.8% effective July 1, 2024 as defined in the multi-year 218 Notice published in 2023;
- The wastewater service charge (Wastewater System Operations & Maintenance) will increase by 2.8% effective July 1, 2024 as defined in the multi-year 218 Notice published in 2023;
- The recycled service charge (Recycled Water System Operations & Maintenance "O&M") will increase by 2.8% effective July 1, 2024 as defined in the multi-year 218 Notice published in 2023;
- The recycled usage charge will increase by 24 cents effective July 1, 2024 and is supported by an independently prepared Cost of Service Study Report;
- Non-rate revenue includes shared maintenance of joint facilities with neighboring agencies, cellular communication site leases and other miscellaneous revenues;
- Property Tax Revenue increase of $165,800 (14.35%) from $1,155,000 to $1,320,800. This change reflects the actual property tax revenue collection was better than projected in prior years;
- Investment income is projected to increase due to interest rate increases that occurred in 2023;
- Capital facility charges are designed to assist in covering the cost of the water, wastewater and recycled water capital improvement program during the fiscal year and will increase an average of 25% effective July 1, 2024 as defined in the multi-year 218 Notice published in 2023;
- Rate increases comply with all applicable state constitutional and statutory mandates.

Expenses

- Purchased water costs are affected by the increased rates charged by Metropolitan Water District of Southern California and Municipal Water District of Orange County and the increased operations and maintenance costs associated with the District's owned capacity in the Baker Water Treatment Plant;
- Energy (electrical power) costs have increased based on expected system operations, capital improvements and analysis of actual Southern California Edison rates and charges;
- SOCWA Operation costs for regional bio-solids and effluent disposal are projected to increase substantially based on the anticipated SOCWA 2024/25 budget;

- Personnel costs are projected to increase by only 2.47% as the District decided not to fill three full time positions during fiscal year 2024-25. Increases in medical premiums and the District's contributions to the employees 401(k) Retirement Savings Plan are included in the budget;
- Operating costs exclusive of purchased water, interest, labor and depreciation have increased by approximately 15.77% compared to the prior budget year.

Capital Replacement & Refurbishment Program

- Staff has updated the ten-year Capital Improvement Program (CIP) to preserve water, sewer and recycled water infrastructure, meet regulatory requirements, and ensure continuous quality services are provided. Projected Water, Sewer and Recycled Water capital improvement expenses (projects and equipment) for budget year 2024 - 2025 total $7.7 million. The 2024 – 2025 capital improvement expenses will be funded by revenue from the Capital Facilities charge combined with 2022 Revenue Bond proceeds and cash reserves accumulated in prior years.
- Revenue generated from the Recycled Water Capital Facilities charge amounts to $223,588 and will be used to fund recycled water capital projects and to offset the cost of Recycled Water System debt service.

Reserves

- The District maintains three categories of reserves: (1) Restricted Reserves are legally required to be held as the result of contractual agreement or legal requirement; (2) Committed Reserves are established by an action of the Board; and (3) Assigned Reserves are established by management for particular purposes.
- The Committed Reserves include (1) a Capital Construction Reserve, (2) a Rate Stabilization Reserve, (3) an Operating Reserve and (4) Working Capital. The current target reserve level for the Committed Reserves, established by Board policy, is $9.3 million.
- The 2024 –2025 Budget continues the process of replenishing the Capital Construction, Rate Stabilization and Working Capital Reserves to the targets defined in the District Cash Reserve Policy.

Conclusion

The 2024 – 2025 Budget is the result of considerable discussion and careful deliberation by the District's Board of Directors and Staff. The preparation, review and deliberation of the budget require a significant time commitment from the organization. The level of commitment demonstrated throughout this process by the Board of Directors and Staff is greatly appreciated by the General Manager and Chief Financial Officer and ensures the successful completion of the budget process. The Budget is optimistic about the future but conservative in its revenue estimates. Most of all, this Budget is the result of a process in which the opportunities and challenges facing the District have been carefully assessed, documented, and addressed to facilitate the accomplishment of the strategic objectives of the Board of Directors.

Dennis Cafferty

Dennis Cafferty
General Manager

2024 – 2025 Budget Summary

This section of the budget document provides a summary of the District's financial operations, assuming the estimated revenues and expenses incorporated into the 2024 – 2025 Budget occur as forecast. Also presented is a summary of the number of authorized positions included in the 2024 – 2025 Compensation Plan. The charts and graphs in this section provide an overview of total revenues, expenses, and changes in the projected ending financial position for the District.

Summary of 2024 – 2025 Budgeted Financial Information

The 2024 – 2025 Budget includes $34,842,849 in estimated revenues and $35,618,562 in budgeted expenses, resulting in an estimated Change in Net Position of negative $775,713 for the 2024 - 2025 Budget Year. The Net Position of the District is forecast to equal $61,618,363 at the end of the 2024 – 2025 fiscal year.

Table 1. Summary of Financial Operations

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Revenues							
Operating Revenues	26,709,978	27,700,177	26,410,680	31,121,400	30,195,222	32,673,649	4.99%
Non-operating Revenues	1,398,278	1,095,156	1,833,839	1,654,400	2,349,006	2,169,200	31.12%
Capital Grants, Investment Income & Contributions	8,708	166,008	9,937,033	-	43,660	-	-
Total Revenues	28,116,964	28,961,341	38,181,553	32,775,800	32,587,887	34,842,849	6.31%
Expenses							
Operating Expenses	29,244,286	30,078,953	31,297,686	31,930,860	31,813,765	33,510,757	4.95%
Non-operating Expenses	758,339	1,072,567	1,723,651	2,203,700	2,203,700	2,107,805	-4.35%
Total Expenses	30,002,625	31,151,520	33,021,337	34,134,560	34,017,465	35,618,562	4.35%
Change in Net Position	(1,885,661)	(2,190,179)	5,160,216	(1,358,760)	(1,429,578)	(775,713)	
Beginning Net Position (July 1)	62,739,279	60,853,618	58,663,439	63,823,655	63,823,655	62,394,077	
Ending Net Position (June 30)	60,853,618	58,663,439	63,823,655	62,464,895	62,394,077	61,618,363	
Net Position (as of June 30)							
Net Investment in Capital Assets	56,108,404	30,402,906	54,968,271				
Restricted - Capital Projects	2,895	26,797,887	-				
Restricted - Debt Service	2,270,150	-	-				
Unrestricted	2,472,175	1,462,646	8,855,384				
Total Net Position	60,853,624	58,663,439	63,823,655				

Analysis of District Revenues

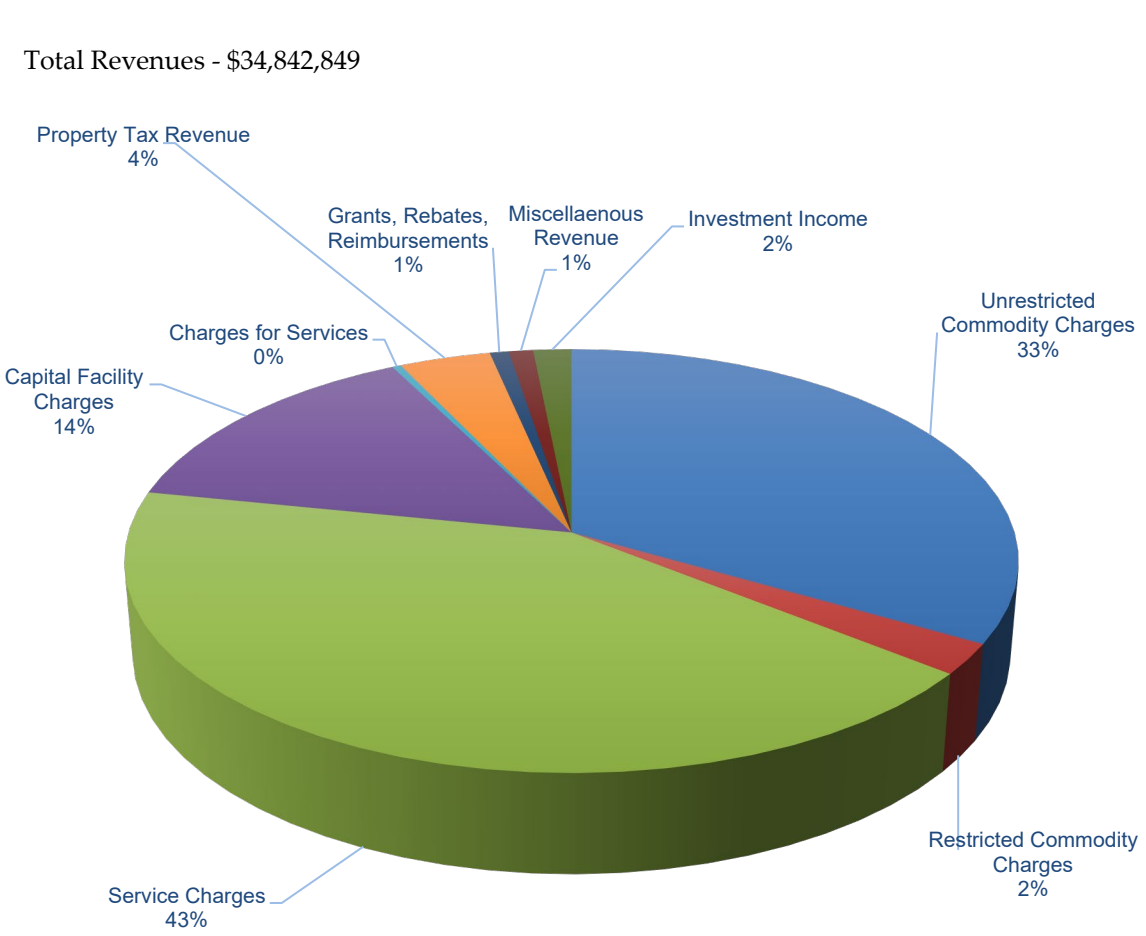
Total revenues in the 2024 – 2025 Budget are estimated to be $34,842,849 an increase of $2,067,049 (6.92%) compared to 2023 – 2024 budgeted revenues of $32,775,800. The largest sources of revenue for the District in 2024 – 2025 include Commodity Charges at $12,336,195 (37.76% of the total), Service Charges at $14,876,275 (45.53% of the total) and Capital Facility Charges at $5,009,153 (15.33% of the total). Amongst the three enterprise operations of the District, the Water Enterprise receives 48.13% of total revenues (projected at $16,768,929 in 2024 – 2025), the Wastewater Enterprise receives 30.38% of total revenues ($10,584,217), and the Recycled Water Enterprise receives 7.08% ($2,468,527) of total revenues.

Table 2. Summary of Revenues

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Operating Revenues							
Usage Charges							
Water Commodity Charges (Unrestricted)	8,826,616	8,458,976	7,479,815	9,200,200	8,904,349	9,883,227	10.99%
Water Commodity Charges (Restricted)	744,946	753,428	667,170	826,900	843,920	826,917	-2.01%
Recycled Water Commodity Charges	1,898,113	2,012,144	1,189,709	1,962,000	1,581,030	1,626,051	2.85%
Service Charges							
Water System	3,805,648	4,177,676	4,228,718	4,691,400	4,650,859	4,823,487	3.71%
Wastew ater System	7,549,752	8,042,358	8,659,162	9,350,200	9,248,336	9,591,801	3.71%
Recycled Water System	308,199	372,728	424,813	448,600	428,160	460,987	7.67%
Capital Facility Charges							
Water System	1,264,678	1,252,889	1,296,286	1,703,700	1,645,478	2,136,001	29.81%
Wastew ater System	1,605,820	1,606,146	1,724,492	2,181,800	2,163,659	2,645,774	22.28%
Recycled Water System	134,773	146,847	131,774	208,400	171,991	227,377	32.20%
Charges for Services	120,050	112,110	5,498	125,000	125,000	125,000	0.00%
Miscellaneous Operating Revenues	115,173	33,806	299,496	52,200	42,845	51,200	19.50%
Grants, Rebates, Reimbursements	336,210	731,069	303,748	371,000	389,595	275,825	-29.20%
Total Operating Revenues	26,709,978	27,700,177	26,410,680	31,121,400	30,195,222	32,673,649	8.21%
Non-operating Revenues							
Property Taxes	1,097,589	1,121,298	1,184,149	1,155,000	1,152,087	1,320,800	14.64%
Investment Income	21,511	(259,747)	395,956	250,000	932,982	550,000	-41.05%
Miscellaneous Non-operating Income	279,178	233,605	189,438	249,400	263,937	298,400	13.06%
Total Non-operating Revenues	1,398,278	1,095,156	1,769,543	1,654,400	2,349,006	2,169,200	-7.65%
Capital Contributions	8,708	166,008	64,296	-	43,660	-	-100.00%
Total Revenue	28,116,964	28,961,341	28,244,520	32,775,800	32,587,887	34,842,849	6.31%
Allocation of Revenues							
Water System	13,599,330	13,566,105	12,850,082	14,845,600	14,853,408	15,954,034	7.41%
Water System - Restricted	744,946	753,428	667,170	826,900	843,920	826,917	-2.01%
Wastew ater System	8,182,567	8,842,159	9,578,635	10,110,800	10,357,435	10,584,217	2.19%
Recycled Water System	2,584,850	2,793,767	2,060,377	2,898,600	2,551,995	2,468,527	-3.27%
Capital Improvement Program	3,005,271	3,005,882	3,152,552	4,093,900	3,981,128	5,009,153	25.82%
Total Revenue	28,116,964	28,961,341	28,308,816	32,775,800	32,587,887	34,842,849	6.92%

Presented in Chart 1 below is a visual depiction of the distribution of the major revenue sources for the District. The three largest categories of revenue comprise 90% of the District's total revenues.

Chart 1. Distribution of Revenues by Category



Analysis of District Expenses

Total budgeted Operating and Non-operating expenses included in the 2024 – 2025 Budget equal $35,618,562, an increase of $1,484,002 (4.35%) from 2023 – 2024 budgeted expenses of $34,134,560. Operating expenses are budgeted at $33,510,757, comprise 94.08% of total expenses, and increase by $1,579,897 (4.95%) from 2023 – 2024 budgeted expenses. Non-operating expenses are budgeted at $2,107,805, or 4.35% of total expenses, and decrease $95,895 (4.35%) from 2023 – 2024 budgeted expenses of $2,203,700.

Table 3. Summary of Expenses

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Operating Expenses							
General & Administrative							
Administration	2,878,828	3,840,228	1,259,483	1,169,180	1,058,330	1,288,894	10.24%
Finance & Risk Management	-	-	1,348,002	1,322,700	1,245,622	1,451,744	9.76%
Human Resources	-	-	583,068	470,180	506,687	506,061	7.63%
Technology Services	-	-	784,876	767,300	623,120	867,134	13.01%
Public Relations & Conservation	-	-	473,720	542,300	446,993	588,350	8.49%
Customer Service	533,039	662,834	914,335	990,400	920,722	1,033,900	4.39%
Operations & Maintenance							
Engineering & Compliance	-	-	826,611	980,000	869,739	499,279	-49.05%
Operations Support	2,256,253	1,988,429	947,692	893,500	910,396	964,353	7.93%
Fleet Services	402,950	393,197	568,701	505,000	433,046	574,568	13.78%
Water Supply & Treatment	8,763,806	8,811,309	8,593,606	9,586,200	10,743,213	9,856,469	2.82%
Water Storage Operations	-	-	-	-	-	583,770	-
Water Treatment	47,884	54,839	-	-	-	-	-
Water Pumping Operations	841,888	1,065,350	707,517	766,400	770,962	819,350	6.91%
Water Transmission & Distribution	2,036,230	1,359,618	1,677,077	1,496,500	1,430,498	1,752,575	17.11%
Wastew ater Pumping Operations	575,327	637,019	897,987	1,017,300	1,041,606	1,060,211	4.22%
Wastew ater Collections	747,308	138,988	1,021,523	1,178,700	985,591	1,046,165	-11.24%
Wastew ater Treatment	2,213,644	3,106,835	3,322,987	3,771,900	3,841,778	3,968,984	5.23%
Outside Treatment	1,311,087	1,300,348	-	-	-	-	-
Recycled Transmission & Distribution	15,380	6,624	270,497	250,800	235,059	377,700	50.60%
Tertiary Treatment	379,064	446,606	862,645	1,015,600	1,229,417	1,014,350	-0.12%
Operating Capital Expenses							
Other Operating Expenses	1,896,043	1,978,952	1,817,796	300,000	148,687	350,000	16.67%
Depreciation & Amortization	4,345,555	4,287,777	4,419,562	4,906,900	4,372,300	4,906,900	0.00%
Total Operating Expenses	29,244,286	30,078,953	31,297,686	31,930,860	31,813,765	33,510,757	4.95%
Non-operating Expenses							
Interest Expense	758,339	1,072,567	1,723,651	2,203,700	2,203,700	2,107,805	-4.35%
Total Non-operating Expenses	758,339	1,072,567	1,723,651	2,203,700	2,203,700	2,107,805	-4.35%
Total Expenses	30,002,625	31,151,520	33,021,337	34,134,560	34,017,465	35,618,562	4.35%
Allocation of Expenses							
Water System	14,118,224	14,045,016	14,177,075	14,908,000	15,774,779	16,146,208	8.31%
Wastew ater System	8,004,329	8,763,198	9,117,127	9,938,580	9,498,954	10,096,593	1.59%
Recycled Water System	880,134	1,004,010	1,766,125	1,877,380	2,019,045	2,011,056	7.12%
Other Operating Expenses	1,896,043	1,978,952	1,817,796	300,000	148,687	350,000	16.67%
Depreciation & Amortization	4,345,555	4,287,777	4,419,562	4,906,900	4,372,300	4,906,900	0.00%
Interest Expense	758,339	1,072,567	1,723,651	2,203,700	2,203,700	2,107,805	-4.35%
Total Expenses	30,002,625	31,151,520	33,021,337	34,134,560	34,017,465	35,618,562	4.35%

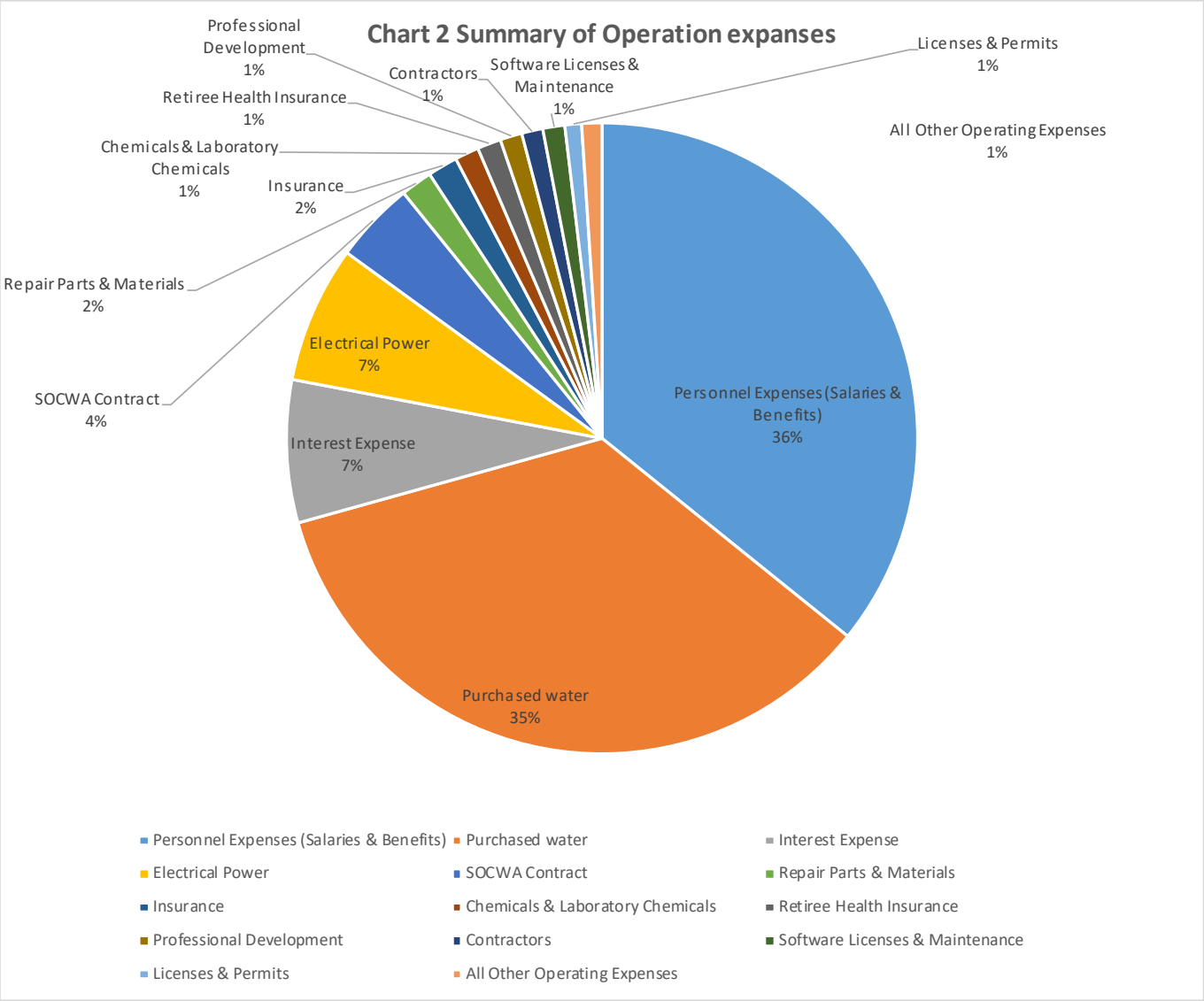
The majority of expenses (45.33%) are incurred by the Water System, primarily because the purchase of potable water for sale is a part of the Water System's operations. The Wastewater System incurs the second highest level of expenses (28.35%), third highest expense category is Depreciation & Amortization (13.78%), followed by Interest Expense (5.92%) and the Recycled Water System (5.65%). Other Operating Expenses include retiree health insurance premiums and any OPEB Charges (which are not budgeted).

Presented below, in Table 4, are Operating expense categories with totals greater than $200,000 in 2024 – 2025). The largest expenses for the District include Personnel, the purchase of water for sale to customers, Interest Expense, Electrical Power, and the SOCWA Contract. Combined, these five expenses equal $24,349,665 and comprise 79% of total expenses for the District (excluding depreciation).

Table 4. Summary of Expenses by Type of Expense

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Expenses by Category							
Personnel Expenses (Salaries & Benefits)	8,486,026	8,584,969	8,877,731	9,890,930	9,596,268	10,259,060	3.72%
Commodity Purchased for Sale	7,868,488	8,559,821	8,641,026	8,540,000	8,042,060	9,096,800	6.52%
Depreciation & Amortization	4,345,555	4,287,777	4,419,562	4,906,900	4,372,300	4,906,900	0.00%
Interest Expense	758,339	1,072,567	1,723,651	2,203,700	2,203,700	2,107,805	-4.35%
Electrical Power	1,116,170	1,179,588	1,557,007	1,508,500	1,682,484	1,786,000	18.40%
SOCWA Contract	928,786	972,231	986,679	969,500	933,236	1,100,000	13.46%
Insurance	435,395	335,462	337,816	344,000	348,655	378,000	9.88%
Repair Parts & Materials	290,349	323,763	268,263	389,500	357,591	437,810	12.40%
Contractors	267,628	290,050	345,000	224,690	183,883	271,500	20.83%
Retiree Health Insurance	108,574	280,577	218,946	320,000	249,479	300,000	-6.25%
Professional Development	185,891	116,586	179,702	269,630	205,457	275,100	2.03%
Software Licenses & Maintenance	137,295	185,482	227,791	217,930	213,867	240,900	10.54%
Chemicals	203,767	217,457	247,990	259,200	284,258	375,000	44.68%
All Other Operating Expenses	4,870,362	4,745,191	4,990,172	4,090,080	5,344,227	4,083,687	-0.16%
Total	30,002,625	31,151,520	33,021,337	34,134,560	34,017,465	35,618,562	4.35%

Presented in Chart 2 below are the District's operating expenses by major category of expense. Personnel expenses are the largest category, followed by Commodity Purchased for Resale and then Interest expenses.



Projected Statement of Revenues, Expenses, and Changes in Net Position

Portrayed in Table 5 below is a projected Statement of Revenues, Expenses, and Changes in Net Position for the District assuming the 2024 – 2025 Budget occurs as planned. The chart also includes Statements from prior years to serve as a comparison for the proposed 2024 – 2025 Budget.

Table 5. Statement of Revenues, Expenses, and Changes in Net position

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Operating Revenues							
Commodity Supply Charges	$ 11,469,675	$ 11,224,548	$ 9,336,693	$ 11,989,100	$ 11,329,298	$ 12,336,195	2.90%
Service Provision Charges	11,663,599	12,592,762	13,312,692	14,490,200	14,327,354	14,876,275	2.66%
Capital Facilities Charges	3,005,271	3,005,882	3,152,552	4,093,900	3,981,128	5,009,153	22.36%
Charges for Services	120,050	112,110	5,498	125,000	125,000	125,000	0.00%
Other Operating Income	115,173	33,806	299,496	52,200	42,845	51,200	-1.92%
Grants, Rebates, & Reimbursements	336,210	731,069	303,748	371,000	389,595	275,825	-25.65%
Total Operating Revenues	26,709,978	27,700,177	26,410,680	31,121,400	30,195,222	32,673,649	4.99%
Operating Expenses							
General & Administrative	3,411,867	4,503,062	5,363,485	5,262,060	4,801,473	5,736,083	9.01%
Operations & Maintenance	19,590,821	19,309,162	19,696,843	21,461,900	22,491,306	22,517,774	4.92%
Other Operating Expenses	1,896,043	1,978,952	625,767	300,000	148,687	350,000	16.67%
Depreciation & Amortization	4,345,555	4,287,777	4,419,562	4,906,900	4,372,300	4,906,900	0.00%
Capital expenditure below the 25K			1,192,029				
Total Operating Expenses	29,244,286	30,078,953	31,297,686	31,930,860	31,813,765	33,510,757	4.95%
Operating Income/(Loss)	(2,534,308)	(2,378,776)	(4,887,006)	(809,460)	(1,618,544)	(837,108)	3.42%
Non-operating Revenues							
Property Taxes	1,097,589	1,121,298	1,184,149	1,155,000	1,152,087	1,320,800	14.35%
Investment Earnings	21,511	(259,747)	395,956	250,000	932,982	550,000	120.00%
Capital grant & Investment Earnings			1,017,961				
Other Non-Operating Revenue	279,178	233,605	253,734	249,400	263,937	298,400	19.65%
Interest Expense	(758,339)	(1,072,567)	(1,723,651)	(2,203,700)	(2,203,700)	(2,107,805)	-4.35%
Net Non-Operating Revenues	639,939	22,589	1,128,149	(549,300)	145,306	61,395	-111.18%
Net Income/(Loss) before Capital Contributions	(1,894,369)	(2,356,187)	(3,758,857)	(1,358,760)	(1,473,238)	(775,713)	-42.91%
Capital Contributions							
Donations & Contributions (O&M)	8,708	166,008	64,296	-	43,660	-	-
Capital Contributions			8,854,776				
Total Capital Contributions	8,708	166,008	8,919,072	-	43,660	-	
Change in Net Position	(1,885,661)	(2,190,179)	5,160,216	(1,358,760)	(1,429,578)	(775,713)	
Beginning Net Position	62,739,279	60,853,618	58,663,439	63,823,655	63,823,655	62,394,077	
Ending Net Position	$ 60,853,618	$ 58,663,439	$ 63,823,655	$ 62,464,895	$ 62,394,077	$ 61,618,363	

Operating expenses of $33,510,757 will exceed operating revenues of $32,673,649 by $837,108. This Operating Loss is primarily caused by the significant Depreciation expense the District incurs as a result of the capital infrastructure investments and equipment purchases that occurred in prior years and are needed to effectively provide service to customers. Non-operating expense will exceed Non-operating revenues by $61,395, due to significant interest expense from the Baker Water Treatment Plant loan and the 2022 Revenue Bonds. The

revenues and expenses from operating and non-operating activities will result in a Net Loss before Contributions which will cause a reduction in the District's Net Position for 2024 – 2025; the ending Net Position is projected to decrease to $61,618,363.

Presented below in Table 6 below is a calculation of the net result from operations which provides an analysis of the financial result of operations if all capital investment related activities were removed from the Statement of Revenues, Expenses, and Changes in Net Position.

Table 6. Net Result from Operating Activities

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Income/(Loss) before Contributions	(1,894,369)	(2,356,187)	(3,758,857)	(1,358,760)	(1,473,238)	(801,815)	-40.99%
Remove: Capital Facilities Charges	(3,005,271)	(3,005,882)	(3,152,552)	(4,093,900)	(3,981,128)	(5,009,153)	22.36%
Remove: Capital grant & Investment Earnings			1,017,961				
Remove: Depreciation	4,345,555	4,287,777	4,419,562	4,906,900	4,372,300	4,906,900	0.00%
Remove: Un-capitalized exp below 25,000			1,192,029	-	-	-	
Remove: Interest Expense	758,339	1,072,567	1,723,651	2,203,700	2,203,700	2,107,805	-4.35%
Remove: Restricted Revenue						(626,917)	
Recycled Net Revenue for Debt Service						451,090	
Net Result from Operations	204,254	(1,725)	1,441,794	1,657,940	1,121,633	1,027,810	
Depreciation - Capital Facilities Charges[(2)]	(1,340,284)	(1,281,895)	(1,267,010)	(813,000)	(391,172)	102,253	

Notes

(1) this calculation is intended to portray the result of operations by removing those activities related to Capital Replacement & Refurbishment activities (Capital Charges, Interest, and Depreciation), and thereby illustrate total net revenues from operational activities.

(2) This calcuation illustrates that the Capital Facilities Charge w ill not provide sufficient funding to replace the District's capital facilities over time.

Debt Service Coverage

Presented in Table 7 below are debt service coverage calculations by fiscal year based on the District's actual financial results (20/21, 21/22 and 22/23 fiscal years) and annual budgets (fiscal years 23/24 and 24/25). Debt service coverage in 2022-23 was at the lowest point and the interest costs associated with the 2022 Revenue Bonds was the highest. However, the District's Ten-Year financial projection shows that debt service coverage will improve every year after 2022-2023 and will return to coverage levels calculated for fiscal years 2020-2021 and 2021-2022 in the next few years.

Table 7. Debt Service Coverage Calculation

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Commodity Supply Charges	11,469,675	11,224,548	9,336,693	11,989,100	11,329,298	12,336,195	2.90%
Service Provision Charges	11,663,599	12,592,762	13,312,692	14,490,200	14,327,354	14,876,275	2.66%
Capital Maintenance Charges	3,005,271	3,005,882	3,152,552	4,093,900	3,981,128	5,009,153	22.36%
Charges for Services	120,050	112,110	5,498	125,000	125,000	125,000	0.00%
Miscellaneous Operating Revenues	115,173	33,806	299,496	52,200	42,845	51,200	-1.92%
Grants, Rebates, Reimbursements	336,210	731,069	303,748	371,000	389,595	275,825	-25.65%
Property Taxes	1,097,589	1,121,298	1,184,149	1,155,000	1,152,087	1,320,800	14.35%
Investment Earnings	21,511	(259,747)	395,956	250,000	932,982	550,000	120.00%
Other Non-operating Revenue	279,178	233,605	601,897	249,400	263,937	298,400	19.65%
Rate stablization fund			1,135,000				
Total Revenues	28,108,256	28,795,333	29,727,682	32,775,800	32,544,227	34,842,849	6.31%
Operation & Maintenance Expenses							
General & Administrative	3,411,867	4,503,062	5,363,485	5,262,060	4,801,473	5,736,083	9.01%
Operations & Maintenance	19,590,821	19,309,162	19,696,843	21,461,900	22,491,306	22,517,774	4.92%
Other Operating Expenses[1]	554,140	363,486		300,000	148,687	350,000	16.67%
Total Operation & Maintenance Expenses	23,556,828	24,175,710	25,060,328	27,023,960	27,441,465	28,603,857	5.85%
Net Revenues	4,551,428	4,619,623	4,667,354	5,751,840	5,102,762	6,238,992	8.47%
Debt Service Expenses							
North Line SRF Loan	258,145	258,146	258,146	-	-	-	-
Recycled Phase I SRF Loan	1,607,697	1,619,497	1,602,957				-
Baker WTP Loan	677,951	677,951	677,755	677,600	677,600	677,600	0.00%
Recyceld Phase II SRF Loan	409,046	409,046	409,047	-	-	-	-
2022 Revenue Bonds	-	-	1,294,325	3,564,000	3,335,000	3,333,000	-6.48%
Total Debt Service Costs	2,952,839	2,964,640	4,242,230	4,241,600	4,012,600	4,010,600	-5.45%
Debt Service Coverage Ratio	**1.54**	**1.56**	**1.10**	**1.36**	**1.27**	**1.56**	

Notes

(1) Excludes OPEB Charge which is a non-cash accounting charge.

2024 – 2025 Budget Authorized Positions

The 2024 – 2025 Budget authorizes 58 Full-Time Equivalent (FTE) employees; three authorized positions have been reduced from 2023-2024 Budget. Table 8 below illustrates the number of authorized FTE employees by Department.

Table 8. Summary of Authorized Positions by Budget Unit

	Actual			Budget	Proposed Budget	Proposed Changes
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2024-2025
Employees by Budget Unit						
Administration	2	2	2	2	2	0
Finance & Risk Management	5	5	5	5	5	0
Human Resources	2	2	2	2	2	0
Technology Services	1	1	1	1	1	0
Community Relations & Conservation	1	1	2	2	2	0
Customer Service	7	7	7	7	7	0
Engineering	5	5	5	5	4	(1)
Operations Support Services	2	2	2	2	2	0
Pumping Operations	8	8	8	8	8	0
Fleet Operations	1	1	1	1	1	0
Transmission & Distribution	9	9	8	8	8	0
Electrical	2	2	2	2	2	0
Treatment Plant	10	10	10	10	9	(1)
Collections & Distribution	5	6	6	6	5	(1)
	60	61	61	61	58	(3)

History of the El Toro Water District

The Founding of El Toro Water District

On August 12, 1959, a group of local landowners gathered around the kitchen table of Raymond Prothero, Sr., at 23572 South Prothero Drive in the community of El Toro (known today as Cornelius Drive in the city of Lake Forest) to discuss their concerns about the water supply. Water for both agricultural and domestic use was pumped from wells, and landowners feared that the existing supply would not support an increased population or an expanded agricultural area. They wanted to find a more reliable, predictable source of water.

One year later, in September 1960, the El Toro Water District (ETWD) was formed as a special district under the laws applicable to California water districts (Sections 34000 Et Seq of the Water Code of the State of California). Governed by a seven-member Board of Directors elected by landowners, the District's charge was to develop and implement policies that would meet the short and long range economic, water resource and environmental goals of the community. While the immediate need was to provide for its customers, ETWD had the wisdom and foresight to consider the greater Orange County area in their planning as well.

At the time of its inception, the total population of the District was only 125 people, and it encompassed 4,750 acres. Of that, 750 acres were devoted to citrus groves and other agricultural uses.

Expansion Includes Aqueduct, Water Recycling Plant and El Toro Reservoir

Shortly after formation, District leadership began to prepare for the anticipated growth of south Orange County. Given the lack of sustainable groundwater, ETWD knew they would have to maintain a critical dependence on imported water that originated hundreds of miles away. ETWD became a constituent agency of the Municipal Water District of Orange County (MWDOC), which entitled the district to receive imported water from the Colorado River and Northern California.

In addition, ETWD joined with a neighboring water district to form the Santiago Aqueduct Commission in order to secure imported water from the Colorado River. The commission obtained permission from the water supplier, Metropolitan Water District of Southern California, to build an aqueduct. The aqueduct would carry water from a pipeline adjacent to Irvine Park to the El Toro community. In 1961, exercising tremendous foresight and good planning, ETWD authorized a bond issue of $1.9 million to finance its share of the construction costs for the aqueduct, a water filtration plant, a 232 mg reservoir, and expansion of the distribution system within the District.

ETWD established itself as a water-recycling pioneer in 1963 with the completion of the Water Recycling Treatment Plant in Laguna Woods. The plant was designed to treat approximately 1.5 million gallons of domestic wastewater each day. A small laboratory was situated inside the plant to analyze wastewater operations.

Leisure World

In 1963, Ross Cortese, president of the Rossmoor Corporation, identified about 3,500 acres of the Moulton Ranch to fulfill his vision to build a retirement community and call it Leisure World. Except for scattered dwellings and barns, the ranch was devoted largely to dry farming and cattle grazing. Those who lived in the homes on the ranch relied on water from deep wells and cesspools for sanitation. If Leisure World was to become a reality, Cortese knew he had to meet the requirements for water and sanitation.

Initially, the ETWD Directors, who were also ranchers, didn't share Cortese's vision for a large residential development. However, by January 1963 the Directors changed their minds when they learned that bond programs to bring MWD water into the area had boosted property tax bills to about $18 for each $100 assessed valuation – far higher than citrus growers or cattle ranchers could afford to pay.

ETWD and Rossmoor agreed that the District would continue to serve the ranchers by providing irrigation service for agriculture. Since ETWD was not interested in providing domestic water service, the Rossmoor Water Company was formed to serve domestic customers.

El Toro Reservoir

In 1967 the construction of the 233-million gallon El Toro Reservoir was completed. The reservoir served many important needs, including meeting high water demand during hot summer days and wildfires, and emergency backup in the event of a pipeline break or other interruptions in water supplies. ETWD established a policy to maintain a 14-day emergency storage reserve to meet customer demands and fire flow requirements.

Constructing a Regional Sewer System

By 1970 the need for a regional sewer system to dispose of treated effluent to the ocean was becoming increasingly evident. Around the same time, the California Clean Water Program was enacted which allowed certain public agencies to be eligible for joint federal-state construction grants.

Laguna Hills Sanitation, Inc., had been disposing of its treated effluent by irrigating the Leisure World golf course and by spraying vacant land. This latter option was becoming increasingly difficult as the amount of vacant land decreased. Unfortunately since Laguna Hills Sanitation, Inc. was a private corporation, it was ineligible for federal-state grants to provide other methods of effluent disposal. In 1972, the District joined five other public water districts and the City of Laguna Beach to form the Aliso Water Management Agency (AWMA). ETWD believed that it was in the best interest of the community to form a partnership to build a sewage sludge treatment and disposal facility.

Approximately three years later ETWD sold $6.14 million of wastewater bonds to finance the District's share of the AWMA Regional Treatment Plant and an ocean outfall system. The AWMA Regional Treatment Plant is located near the Laguna Niguel Regional Park (currently known as the South Orange County Wastewater Authority, SOCWA). The Aliso Creek Ocean Outfall is located in Laguna Beach. The construction of the plant was complete in 1982.

The Transition from Wholesale to Retail

The Laguna Hills Utility Company, the parent company of the operating utilities, Laguna Hills Water Company (LHWC) and Laguna Hills Sanitation, Inc. (LHSI) approached the ETWD Board of Directors in August 1982 with a proposal that ETWD acquire the utility operations of LHWC and LHSI. If approved, this acquisition would transform ETWD from a water wholesaler to a retail water company. The Board of Directors carefully considered the proposal. They concluded that the residents of the District would benefit from this transition, providing that the assets of the utilities could be acquired at a fair price.

On September 12, 1983, ETWD signed the agreement to purchase both Laguna Hills Water Company and Laguna Hills Sanitation, Inc. for a sum of $10.5 million. The amount would be paid with interest, in installments over a 30-year period. After approximately 24 years, ETWD had become a fully integrated water, sewer and recycled water retail operation.

Water Recycling Pioneer

After three decades of service, and multiple expansion projects, portions of the Water Recycling Plant had reached the end of its useful life. ETWD embarked on a reconstruction and replacement project. The new plant was completed in 1998 at a cost of nearly $14,000,000. The reconstruction project renewed the useful life of the plant for another 30 years and brought ETWD into compliance with applicable regulatory and environmental requirements. A new expanded laboratory was now equipped to perform sophisticated analysis of wastewater and drinking water, and the overall capacity of the plant increased to 6 million gallons per day. In 1999 the Water Recycling Plant was recognized by the industry as "Plant of the Year."

Expansion Continues at El Toro Reservoir

In an effort to expand emergency storage in south Orange County and reduce operating cost for ETWD, the District entered into an agreement in 2002 with neighboring water districts for joint use of the El Toro Reservoir. ETWD began a four phase project to expand the El Toro Reservoir capacity to 275 million gallons and enhance the ability of ETWD and neighboring agencies to meet their emergency storage requirements. By increasing the capacity by 52 million gallons, the enlarged reservoir would provide 124.5 million gallons to ETWD, 137.5 million gallons to Santa Margarita Water District and 13 million gallons to Moulton Niguel Water District. The expanded reservoir would serve more than 300,000 customers in the cities of Laguna Woods, Laguna Hills, Lake Forest, Mission Viejo, Aliso Viejo, Laguna Niguel, Dana Point, Rancho Santa Margarita, Ladera Ranch, Las Flores, San Juan Capistrano and San Clemente. The total water surface area expanded to approximately 20 acres.

In addition to laying 4,500 feet of pipeline to allow increased water use by the three partner agencies at once, the reservoir was enlarged to increase supply for regional use. The final phase of the project was to add a new floating cover and liner to the reservoir. The cover continues to assist ETWD in preserving the quality of the imported supply.

Recycled Water Expansion Project

In 2012, the District began a comprehensive multi-phase Recycled Water Expansion Project that significantly increased the amount of recycled water produced for local irrigation. The project was completed in 2016 and greatly expanded the District's ability to produce recycled water. By undertaking this project, the District saves precious imported drinking water (potable) for household consumption and sanitary uses.

The project constructed tertiary treatment facilities at the existing Water Recycling Plant to increase the treatment and delivery of recycled water for irrigation to approximately 1,400 acre feet per year. That's the equivalent of covering the entire footprint of Laguna Woods Village with five inches of water or filling Angel Stadium nineteen times. Simultaneously, the District built a new recycled water distribution system for irrigation. Approximately 100,000 feet or 19 miles of recycled water pipeline was constructed beneath the roadways in portions of Laguna Woods and the northwest corner of Laguna Hills. This new distribution system is completely separate from the drinking water distribution system and used for irrigation only. In 2018 the District completed construction of the Phase II Recycled Water Distribution System Expansion Project which added another 5 miles of recycled water pipeline to serve additional users in the community of Laguna Woods.

The recycled water projects improve the environment by reserving drinking water resources for use inside homes and businesses, and provides environmentally responsible recycled water for outdoor use. The tertiary treatment facilities at the Water Recycling Plant produce a higher quality of treated water, diminish the amount of treated water discharged into the ocean and help to reduce the greenhouse gases that results from pumping imported water into the region.

Location and Service Area Information

The El Toro Water District is located in Southern Orange County, approximately 45 miles south of downtown Los Angeles. The District encompasses the entirety of the City of Laguna Woods, and portions of the Cities of Aliso Viejo, Laguna Hills, Lake Forest, and Mission Viejo. The total service area of the District is approximately 5,430 acres or the equivalent of 8.5 square miles. Interstate 5 bisects the District with approximately half of the District's service area on each side of the Interstate.

Table 11. Comparison of Economic Characteristics of District Residents

	Median Gross Rent*	Median Housing Value*	Per Capita Income*	Median Household Income*
El Toro Water District	$2,060	$430,793	$36,549	$67,605
Orange County	1,929	725,100	$41,514	$90,234
State of California	1,614	523,000	$36,955	$75,235
Change in Economic Characteristics				
ACS Years 2012-2016	$1,753	$321,335	$32,539	$57,156
ACS Years 2013-2017	$1,856	$355,093	$33,513	$60,390
ACS Years 2014-2018	$1,959	$410,421	$34,849	$63,762
ACS Years 2015-2019	$2,060	$430,793	$36,549	$67,605

Source: U.S. Census Bureau American Community Survey 2015-2019 5-Year estimates, Tables B19001, B25063, B25075

*Interpolated value

Population Information

The District serves over 51,800 population.

Educational, Employment, and Income Information The 2015 – 2019 American Community Survey reported that approximately 46% of District residents age 25 or older have attained a bachelors or graduate degree, including approximately 17% who have a graduate or professional degree. This is much higher than California or national averages (34% and 32.2%, respectively). Another 30% of residents who are age 25 or older have attended some college or attained an Associate's degree. An estimated 92% of District residents

Table 12. Education for Residents Age 25 or Older

	El Toro Water District	Orange County	State of California	United States
Less than 9th grade	3.63%	7.90%	9.20%	5.10%
9th to 12th grade, no diploma	4.52%	6.60%	7.50%	6.90%
High school graduate (includes equivalency)	16.07%	17.20%	20.50%	27.00%
Some college, no degree	20.86%	19.90%	21.10%	20.40%
Associate's degree	9.12%	7.70%	7.80%	8.50%
Bachelor's degree	28.82%	26.00%	21.20%	19.80%
Graduate or professional degree	16.97%	14.50%	12.80%	12.40%
Percent high school graduate or higher	91.84%	85.30%	83.40%	88.10%
Percent bachelor's degree or higher	45.79%	40.50%	34.00%	32.20%

Source: U.S. Census Bureau American Community Survey 2015-2019 5-Year estimates, Table B15003

age 25 or older have their high school diploma (or equivalent); this is also much higher than the State or National average (83.4% and 88.1% respectively).

The majority of District residents who are employed work in professional or service occupations, as illustrated in the Occupations table below.

Table 13. Occupations

	El Toro Water District	Orange County	State of California	United States
Agriculture, forestry, fishing and hunting and mining	0.62%	0.75%	2.14%	1.80%
Construction	3.37%	6.61%	6.75%	6.60%
Manufacturing	9.88%	11.19%	8.71%	10.10%
Wholesale Trade	3.07%	3.41%	2.71%	2.60%
Retail Trade	12.62%	10.21%	10.16%	11.20%
Transportation and w arehousing, and utilities	3.12%	3.83%	5.71%	5.40%
Information	2.28%	1.85%	2.84%	2.00%
Finance & insurance, real estate, rental & leasing	11.20%	8.49%	5.83%	6.60%
Professional, scientific, management, administrative	15.50%	14.15%	14.15%	11.60%
Educational services, health care, social assistance	20.93%	20.56%	21.16%	23.10%
Arts, entertainment, recreation, accommodation, food services	9.64%	10.65%	10.31%	9.70%
Other Services, except public administration	5.31%	5.28%	5.04%	4.90%
Public administration	2.46%	3.00%	4.49%	4.60%

Source: U.S. Census Bureau American Community Survey 2015-2019 5-Year estimates, Table C24030

Due to the composition of the population within the District's service area, the workforce participation tends to be much lower than the averages for the County, State, or Nation. This is to be expected since Laguna Woods comprises approximately 40% of the population in the District's service area and almost all of the residents of that community are retired. For the portion of the population in the District's service are who do participate in the workforce, the unemployment rate has averaged slightly higher than the averages for Orange County or the United States but slightly lower than the average for California.

Table 14. Unemployment & Workforce Participation Rate Comparison

	2015 5-Year ACS	2016 5-Year ACS	2017 5-Year ACS	2018 5-Year ACS	2019 5-Year ACS
Unemployment Rate					
El Toro Water District	6.0%	5.1%	4.6%	4.2%	4.0%
Orange County	5.0%	4.4%	3.8%	3.3%	3.0%
State of California	6.2%	5.5%	4.8%	4.2%	3.8%
United States	5.2%	4.7%	4.1%	3.7%	3.4%
Workforce Participation Rate					
El Toro Water District	52.0%	52.2%	52.4%	52.8%	53.1%
Orange County	66.0%	65.9%	65.7%	65.6%	65.6%
State of California	63.6%	63.4%	63.5%	63.5%	63.7%
United States	63.3%	63.5%	63.4%	62.9%	63.4%

Source: U.S. Census Bureau, 5-Year American Community Survey Estimates, Table B23025

The composition of the population within the District service area also impacts the estimated household income within the District's service area. According to the 2015 – 2019 American Community Survey, the median household income in the District was $67,605, $7,630 (10.14%) less than the median for California but $4,762 (7.58%) higher than the national median. An estimated 10.27% of District households have incomes that exceeds $200,000 per year; in comparison only 7.7% of United States households had this level of income in the 2015-2019 American Community Survey.

Table 15. Household Income

	El Toro Water District*	Orange County	State of California	United States
Under $10,000	6.43%	4.20%	4.80%	6.00%
$10,000 to $14,999	3.73%	2.70%	4.10%	4.30%
$15,000 to $24,999	9.14%	5.60%	7.50%	8.90%
$25,000 to $34,999	7.32%	6.00%	7.50%	8.90%
$35,000 to $49,999	11.82%	8.80%	10.50%	1.30%
$50,000 to $74,999	16.42%	14.60%	15.50%	17.20%
$75,000 to $99,999	11.71%	12.80%	12.40%	12.70%
$100,000 to $149,999	14.83%	18.60%	16.60%	15.10%
$150,000 to $199,999	8.33%	11.10%	8.90%	6.80%
$200,000 or more	10.27%	15.50%	12.20%	7.70%
Median Household Income*	$67,605	$90,234	$75,235	$62,843
Mean Household Income*	$84,000	$122,488	$106,916	$88,607
Per Capita Income*	$36,549	$41,514	$36,955	$34,103

Source: U.S. Census Bureau American Community Survey 2015-2019 5-Year estimates, Table B19001

*Interpolated value

Summary of the District

The District supplies residents with potable water, recycled water for irrigation purposes, and provides wastewater collection and treatment services. Information about District and its services can be found below.

General Information	
Date of Original Incorporation	September, 1960
Date of Integration into Retail Utility Operation	September 12, 1983
Form of Government	California Special District

Location and Size Information	
Geographic Location	45 Miles South of Downtown Los Angeles
Total Area of Incorporation	8.5 square miles

Facility Information	
Main Office and Warehouse Complex	1
Wastewater Treatment Plants	1
Water Reservoirs	6
Water Pump Stations	9
Wastewater Lift Stations	11

Enterprise Statistics	
Water System	
Miles of Water Main	170
Service Connections	9,514
Annual Potable Water Imports (MG*)	2,280
Sewer System	
Miles of Wastewater Collection Main	114
Service Connections	9,514
Annual Treated Sewage (MG*)	1,332
Recycled Water System	
Miles of Recycled Water Main	25
Service Connections	276
Annual Recycled Water Production (MG*)	450

*Millions of Ga

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The mission of the Water Enterprise is to deliver potable water to customers for their daily living needs. The Water Enterprise accomplishes this mission by procuring treated water directly from the Municipal Water District of Orange County (MWDOC) through the Allen-McCulloch Pipeline and by partnering with the Irvine Ranch Water District in the Baker Water Treatment Plant which procures untreated water from MWDOC, treats the water, and distributes it to the participating agencies. Potable water is distributed to District customers through significant infrastructure assets that the District has invested in over many years, including the R6 Reservoir, 5 other smaller water reservoirs or storage facilities, 9 water pump stations, 170 miles of water main, and approximately 9,500 water service lines.

Budget Analysis

As depicted in Table 16 below, expenses in the 2024-2025 Budget equal $16,286,208, an increase of $1,258,208, 8.37%, from the $15,028,000 in expenses included in the 2023-2024 Budget. Revenues attributed to the Water System are projected to equal $16,154,034, an increase of $844,803 or 5.52% when compared to the $15,309,231 included in the 2023-2024 Budget. As a result of the revenues and expenses included in the 2024-2025 Budget, the Water System is projected to consume $132,173 of the Board Mandated Cash Reserves in 2024-2025.

Table 16. Water System - Operations & Maintenance Sources & Uses of Cash

	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	2023 - 2024 Budget	2023 - 2024 Projected Actual	2024 - 2025 Proposed Budget	Budget % Change
Sources of Cash							
Operating Revenues							
Commodity Supply Charge (Unrestricted)	8,826,616	8,458,976	7,479,815	9,200,200	8,904,349	9,883,227	7.42%
Service Provision Charge	3,805,648	4,177,676	4,228,718	4,691,400	4,650,859	4,823,487	2.82%
Charges for Services	120,050	112,110	5,498	125,000	125,000	125,000	0.00%
Miscellaneous Operating Income	115,173	33,806	198,825	294,631	19,260	31,000	-89.48%
Grant, Rebates, Reimbursements	22,015	31,814	469	-	6,616	-	-
Non-operating Revenues							
Property Taxes	439,036	448,512	473,659	460,000	460,837	528,320	14.85%
Investment Income	8,604	(92,575)	167,724	100,000	379,641	275,000	175.00%
Miscellaneous Non-operating Income	253,480	229,778	246,020	238,000	263,187	288,000	21.01%
Restricted Reserve Funding	100,000	100,000	200,000	200,000	200,000	200,000	
Total Sources of Cash	13,690,622	13,500,097	13,000,729	15,309,231	15,009,748	16,154,034	5.52%
Uses of Cash							
Operating Expenses							
General & Administrative	1,364,752	1,801,216	2,253,808	2,110,500	1,956,959	2,318,622	9.86%
Operations & Maintenance	12,753,472	12,243,800	11,923,267	12,797,500	13,817,819	13,827,586	8.05%
Other Operating Expenses	112,231	87,578	250,307	120,000	-	140,000	16.67%
Total Uses of Cash	14,230,455	14,132,594	14,427,382	15,028,000	15,774,779	16,286,208	8.37%
Net Change In Cash	(539,833)	(632,497)	(1,426,654)	281,231	(765,031)	(132,173)	

The mission of the Wastewater System is to collect wastewater from District customers through service connections, transmit the wastewater to the Water Recycling Plant using lift stations and sewer mains, treat the wastewater, and then send the treated water to the recycled water treatment facilities or dispose of the remaining effluent or solids. To accomplish this mission, the Wastewater System has acquired and/or constructed significant infrastructure assets, including the Wastewater Treatment Plant, 11 wastewater lift stations, and 114 miles of sewer main. The Wastewater System treats a daily average of 3.7 million gallons of wastewater every day.

Budget Analysis

As depicted in Table 17 below, expenses in the 2024-2025 Budget equal $10,278,593, an increase of $184,013, 1.82%, from the $10,094,580 in expenses included in the 2023-2024 Budget. Revenues attributed to the Wastewater System are projected to equal $10,584,217, an increase of $473,417 or 4.69% when compared to the $10,110,800 included in the 2023-2024 Budget. As a result of the revenues and expenses included in the 2023-2024 Budget, the Wastewater System is projected to contribute $305,624 to the Board Mandated Cash Reserves in 2024-2025.

Table 17. Wastewater System - Operations & Maintenance Sources & Uses of Cash

	2020 - 2021	2021 - 2022	2022 - 2023		2023 - 2024	2024 - 2025	
	Actual	Actual	Actual	Budget	Projected Actual	Proposed Budget	Budget % Change
Sources of Cash							
Operating Revenues							
Service Provision Charge	7,549,752	8,042,358	8,659,162	9,350,200	9,248,336	9,591,801	2.58%
Miscellaneous Operating Income	-	-	78,494	20,200	23,585	20,200	0.00%
Grant, Rebates, Reimbursements	28,617	358,439	-	-	8,486	-	-
Non-operating Revenues							
Property Taxes	570,746	583,086	615,578	600,000	599,087	686,816	14.47%
Investment Income	11,185	(145,041)	197,333	130,000	477,191	275,000	111.54%
Miscellaneous Non-operating Income	22,267	3,317	6,848	10,400	750	10,400	0.00%
Total Sources of Cash	8,182,567	8,842,159	9,557,414	10,110,800	10,357,435	10,584,217	4.68%
Uses of Cash							
Operating Expenses							
General & Administrative	1,774,164	2,341,598	2,659,052	2,729,480	2,462,073	2,961,359	8.50%
Operations & Maintenance	6,230,165	6,421,600	6,458,075	7,209,100	7,036,881	7,135,234	-1.02%
Other Operating Expenses	145,900	113,852	-	156,000	127,629	182,000	16.67%
Total Uses of Cash	8,150,229	8,877,050	9,117,127	10,094,580	9,626,583	10,278,593	1.82%
Net Change In Cash	32,338	(34,891)	440,287	16,220	730,852	305,624	

RECYCLED WATER SYSTEM

The mission of the Recycled Water System is to further treat pre-treated wastewater from the wastewater treatment process until the water meets regulatory standards so that it can be used for irrigation purposes and then to distribute the recycled water to customers to use in irrigation. To accomplish this mission, the Recycled Water System has acquired and/or constructed significant infrastructure assets, including Tertiary Water Treatment facilities and 25 miles of recycled water distribution main. The Recycled Water System produces a daily average of 1.3 million gallons every day.

Budget Analysis

As depicted in Table 18 below, expenses in the 2024-2025 Budget equal $2,039,056, an increase of $137,676, 7.24%, from the $1,901,380 in expenses included in the 2023-2024 Budget. Revenues attributed to the Recycled System are projected to equal $2,468,527, a decrease of $430,073 or 14.84% when compared to the $2,898,600 included in the 2023-2024 Budget. As a result of the revenues and expenses included in the 2024-2025 Budget, the Recycled System is projected to generate net cash of $429,472. However, the Recycled System transfers all of the net cash generated from its operations to the Capital Improvement Fund to pay the debt associated with the original construction of the tertiary treatment facilities.

Table 18. Recycled Water System - Operations & Maintenance Sources & Uses of Cash

	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	2023 - 2024 Budget	2023 - 2024 Projected Actual	2024 - 2025 Proposed Budget	Budget % Change
Sources of Cash							
Operating Revenues							
Commodity Supply Charge	1,898,113	2,012,144	1,189,709	1,962,000	1,581,030	1,626,051	-17.12%
Service Provision Charge	308,199	372,728	424,813	448,600	428,160	460,987	2.76%
Miscellaneous Operating Income	-	-	15,900	1,000	-	-	-100.00%
Grant, Rebates, Reimbursements	285,578	340,816	303,279	371,000	374,494	275,825	-25.65%
Non-operating Revenues							
Property Taxes	87,807	89,700	94,912	95,000	92,163	105,664	11.23%
Investment Income	1,722	(22,131)	30,899	20,000	76,149	-	-100.00%
Miscellaneous Non-operating Income	3,431	510	866	1,000	-	-	-100.00%
Total Sources of Cash	2,584,850	2,793,767	2,060,377	2,898,600	2,551,995	2,468,527	-14.84%
Uses of Cash							
Operating Expenses							
General & Administrative	272,950	360,248	450,624	422,080	382,440	456,102	8.06%
Operations & Maintenance	607,184	643,762	1,315,501	1,455,300	1,636,605	1,554,954	6.85%
Other Operating Expenses	22,446	17,516	-	24,000	21,058	28,000	16.67%
Total Uses of Cash	902,580	1,021,526	1,766,125	1,901,380	2,040,103	2,039,056	7.24%
Transfer Out	(1,096,018)	(1,682,270)	(1,772,241)	(969,150)	(555,725)	(429,472)	
Net Change In Cash	586,252	89,971	(1,477,989)	28,070	(43,833)	(0)	

Personnel Analysis

The District's mission is to provide high quality utility services to its customers and one of the foundations of this mission is having a sufficient number of high-quality staff members to operate the District's infrastructure and provide service to customers. This section includes an analysis of the District's personnel costs, which are a primary component of the District's fiscal operations because they comprise the largest expense for the District.

Number of Employees

Personnel costs are a result of the total number of District employees. The District converts the number of full-time and part-time employees to full-time equivalency to accurately reflect the number of employees on the payroll. Full-time equivalency is equal to 2,080 hours for all employees.

The 2024-2025 Compensation Plan authorizes a total of 58 full-time positions, 5 elected officials, and no intern or temporary part-time position. Total staffing numbers decrease by 3 staff from the 2023-2024 budget.

The total budgeted cost for the District's workforce in 2024-2025 is budgeted at $10,512,990 with salary expenses of $7,653,182 comprising 72.8%% of total costs and benefits of $2,859,807 comprising the remaining 27.2% of costs. Fringe benefit cost increases were 8.49% in 2024-2025 due to health insurance and retirement benefit cost increases.

Presented below are the total personnel expenses for the 2024-2025 Fiscal Year.

Table 1. Personnel Expenses Summary

	FY 2024 Budget	FY 2025 Budget	Delta	% Change	% of Total Personnel Costs
Salaries					
Regular Salaries	7,052,336	6,955,453	(96,883)	-1.37%	66.16%
Ovetime and On-Call Salaries	302,700	372,360	69,660	23.01%	3.54%
One-time Salary Payments[1]	188,402	219,949	31,547	16.74%	2.09%
Stipends & Allow ances[2]	79,800	105,420	25,620	32.11%	1.00%
Total Salaries	7,623,238	7,653,182	29,944	0.39%	72.80%
Benefits					
Health Insurance[3]	1,216,944	1,266,729	49,785	4.09%	12.05%
Other Insurance[4]	195,584	213,871	18,288	9.35%	2.03%
Workers Compensation Insurance	129,100	166,739			
Retirement Benefits[5]	1,094,400	1,212,468	118,068	10.79%	11.53%
Total Benefits	2,636,027	2,859,807	223,780	8.49%	27.20%
Total Personnel Expenses	10,259,265	10,512,990	253,724	2.47%	

Notes

(1) Includes Vacation Time Payouts and Top of Range one-time payments

(2) Includes Automobile Allowances, Cell Phone Stipends, and Wellness Stipends

(3) Includes employer paid Health, Dental, and Vision Insurance Premiums as well as Health Savings Account contributions

(4) Includes employer paid Life Insurance, Long-term Care and Disability Insurance, and Workers Compensation

(5) Includes employer contributions to the 401k plan, employer matches to the 401k/457b Plans, and Medicare

(6) The total personal cost of $199,452 is allocated to Capital projects and $10,313,538 to Operations.

The table 2 presented below provides further analysis of the change in Regular Salary Costs. The base salary for 2024-2025 is $7,052,336, 67.08% of total personnel costs. Merit salary increases for employees and keeping the three positions open in 2024-2025 add $279,459 to budgeted salaries in 2024-2025, this assumes a CPI component to the merit increase of 2.8% and a performance adjustment component of 3%.

Table 2. Changes in Salary Expenses

	FY 2024 Budget	FY 2025 Budget	Delta	% Change	% of Total Personnel Costs
Analysis of Changes in Personnel Costs					
Regular Salary Changes					
Base Salary *(prior year ending salaries)*	6,500,306	7,052,336	552,030	8.49%	67.08%
Merit Increase[(1)]	545,171	279,459	(265,712)	-48.74%	2.66%
Additional Positions(2)		(317,481)	(317,481)	N/A	-3.02%
Net Changes from Original Budget	-	(53,818)	(53,818)	N/A	-0.51%
Additional Salary Adjustments	6,859	(5,043)	(11,902)	100.00%	-0.05%
Regular Salaries Total	7,052,336	6,955,453	(96,883)	-1.37%	66.16%

Notes

(1) Salary increases occur on July 1 so the base salary is increased for the entire year.

(2) The District is not hiring for three open positions that reduced actual salary expense.

The table below summarizes changes in additional salary related payments as budgeted for 2024-2025 and change in benefit expenses budgeted for 2024-2025.

Table 3. Changes in Other Salary and Benefit Expenses

	FY 2024 Budget	FY 2025 Budget	Delta	% Change	% of Total Personnel Costs
Other Salary Changes					
Overtime Expenses	230,000	285,000	55,000	23.91%	2.71%
On-Call Expenses	72,700	87,360	14,660	20.17%	0.83%
Top of Range Payouts	76,417	95,960	19,543	25.57%	0.91%
Vacation Payouts	111,985	123,989	12,004	10.72%	1.18%
Car Allowance	43,200	45,000	1,800	4.17%	0.43%
Cell Phone Allowances	12,672	11,520	(1,152)	-9.09%	0.11%
Wellness Stipends[1]	18,928	17,400	(1,528)	N/A	0.17%
Class A / B Drivers Licenses		13,000			
Employee Education / Cert / Service Awar	5,000	18,500	13,500	N/A	0.18%
Other Salary Changes	570,902	697,729	113,827	19.94%	6.64%
Benefit Changes					
Health Insurance	1,138,900	1,149,297	10,397	0.91%	10.93%
HSA Contributions	4,500	16,000	11,500	255.56%	0.15%
Dental Insurance	60,260	89,334	29,074	48.25%	0.85%
Vision Insurance	13,283	12,098	(1,185)	-8.92%	0.12%
Life Insurance	36,432	40,950	4,518	12.40%	0.39%
Long Term Care Insurance	17,900	8,960	(8,940)	-49.94%	0.09%
Disability Insurance	33,300	52,434	19,134	57.46%	0.50%
Employee Assistance Program		1,276	1,276	N/A	0.01%
Workers Compensation	129,100	166,739	37,639	29.15%	1.59%
State Unemployment Insurance	3,000	3,000	-	N/A	0.03%
401k/457b Contributions	1,094,400	1,212,468	118,068	10.79%	11.53%
Medicare Contributions	104,952	107,251	2,299	2.19%	1.02%
Other Salary Changes	2,636,027	2,859,807	223,780	8.49%	27.20%

Presented below are the positions authorized in the 2024 – 2025 Budget, organized by functional area.

Table 4 Position Organization Chart

Department	Positions
Administration	
General Manager	1
Executive Assistant to Board & General Manager	1
Total	2
Finance & Risk Management	
Chief Financial Officer	1
Accounting Supervisor	1
Senior Accountant	1
Accounting Technician	1
Purchasing Agent	1
Total	5
Technology Services	
Information Technology Manager	1
Total	1
Human Resources	
Human Resources Director	1
Office Assistant	1
Total	2
Community Relations & Conservation	
Public Affairs Manager	1
Water Use Efficiency Analyst	1
Total	2
Customer Service	
Customer Service / Billing Supervisor	1
Customer Service Office Representative I	2
CS Office Rep I / Human Resource Assistant	1
Crew Chief	1
Customer Service Field Representative II	1
Customer Service Field Representative I	1
Total	7
Engineering	
Engineering Director	1
Senior Engineer	1
Inspector	1
Cross Connection Control Program Supervisor	1
Total	4
Total Positions	58

Department	Positions
Operations Support Services	
Operations Superintendent	1
Compliance Program Coordinator	1
Total	2
Pumping Operations	
Foreman	1
Crew Chief	1
Maintenance Worker III	1
Maintenance Worker II	-
Maintenance Worker I	5
Total	8
Fleet Operations	
Senior Mechanic	1
Total	1
Transmission & Distribution	
Foreman	1
Crew Chief	2
Maintenance Worker III	2
Maintenance Worker II	0
Maintenance Worker I	3
Total	8
Electrical	
Electrical Systems/SCADA Supervisor	1
Electrical Systems / SCADA Technician II	1
Total	2
Treatment Plant	
Chief Plant Operator	1
Truck Driver	2
Waste Water Operator III	4
Waste Water Operator II	-
Waste Water Operator I	-
Lab Supervisor	1
Lab Technician II	1
Total	9
Collections & Distribution Crew	
Foreman	1
Crew Chief	1
Collection Maintenance Worker II	1
Collections Maintenance Worker I	2
Total	5

The District's Compensation Plan includes a salary grade schedule for both non-exempt and exempt employees. Presented below as well as on the following page is the Compensation Plan for non-exempt employees for the 2024 - 2025 Budget. Salary grades that do not have any positions assigned to them are not displayed.

Table 5 Compensation Plan - Salary Range Schedule - Non-Exempt
Effective Fiscal Year 2024/2025

	FY 2023/2024 Monthly Salary		FY 2024/2025 Monthly Salary		Percent of
	Minimum	Maximum	Minimum	Maximum	Increase
Salary Grade 1 Intern	$3,081	$4,641	$3,167	$4,298	2.8%
Salary Grade 2	$3,737	$5,083	$3,841	$5,226	2.8%
Salary Grade 3	$4,188	$5,696	$4,305	$5,854	2.8%
Salary Grade 4	$4,311	$5,865	$4,432	$6,029	2.8%
Salary Grade 5 Office Assistant Customer Service Office Representative I Billing Clerk I	$4,443	$6,040	$4,567	$6,210	2.8%
Salary Grade 6 Customer Service Field Representative I	$4,577	$6,223	$4,705	$6,397	2.8%
Salary Grade 7	$4,709	$6,408	$4,841	$6,587	2.8%
Salary Grade 8 Customer Service Office Representative II Administrative Assistant Billing Clerk II	$4,855	$6,602	$4,990	$6,786	2.8%
Salary Grade 9 Customer Service Office Representative Senior Billing Clerk Senior	$4,997	$6,800	$5137	$6,990	2.8%
Salary Grade 10 Customer Service Field Representative II Collection Maintenance Worker I Maintenance Worker I Operator in Training	$5,167	$7,002	$5,311	$7,198	2.8%
Salary Grade 11 Billing Specialist	$5,306	$7,214	$5,454	$7,415	2.8%
Salary Grade 12 Laboratory Technician I	$5,463	$7,432	$5,617	$7,639	2.8%
Salary Grade 13 Mechanic Wastewater Plant Operator I	$5,627	$7,652	$5,784	$7,865	2.8%
Salary Grade 14 Administrative Assistant Senior Accountant / Insurance Administrator	$5,795	$7,884	$5,958	$8,105	2.8%
Salary Grade 15 Collections Worker II Maintenance Worker II	$5,970	$8,120	$6,137	$8,347	2.8%
Salary Grade 16 Customer Service Field Representative III Compliance Regulatory Coordinator I	$6,149	$8,361	$6,320	$8,596	2.8%
Salary Grade 17 Laboratory Technician II	$6,334	$8,614	$6,510	$8,854	2.8%

Table 5 Compensation Plan - Salary Range Schedule - Non-Exempt Effective Fiscal Year 2024/2025					
	FY 2023/2024 Monthly Salary		FY 2024/2025 Monthly Salary		Percent of
	Minimum	Maximum	Minimum	Maximum	Increase
Salary Grade 18	$6,521	$8,872	$6,705	$9,121	2.8%
Senior Accountant / Payroll					
Tractor - Trailer - Tanker Driver					
Waste Water Plant Operator II					
Salary Grade 19	$6,728	$9,148	$6,915	$9,404	2.8%
Inspector					
Engineering Associate					
Maintenance Worker III					
Collection Maintenance Worker III					
Salary Grade 20	$6,928	$9,422	$7,121	$9,684	2.8%
Compliance Regulatory Coordinator II					
Salary Grade 21	$7,134	$9,701	$7,334	$9,974	2.8%
Executive Assistant to General Manager & Board					
Senior Mechanic					
Salary Grade 22	$7,349	$9,995	$7,556	$10,275	2.8%
Accounting Supervisor					
Supervisor Billing/Office Customer Service					
Recycled Water Coprdinator					
Electrical Systems / SCADA Technician III					
Purchasing Agent / Inventory Control					
Salary Grade 23	$7,572	$10,297	$7,784	$10,584	2.8%
Laboratory Technician III					
Wastew ater Plant Operator III					
Water Use Efficiency Analyst					
Salary Grade 24	$7,799	$10,604	$8,017	$10,901	2.8%
Cross Connection Control Program Supervisor					
Salary Grade 25	$7,999	$10,921	$8,223	$11,227	2.8%
Crew Chief					
Public Relations Supervisor					
Salary Grade 26	$8,273	$11,252	$8,506	$11,566	2.8%
Accounting Manager / Auditor					
Industrial Waste Inspector					
Compliance Regulatory Coordinator III					
Salary Grade 27	$8,521	$11,586	$8,759	$11,910	2.8%
Laboratory Supervisor					
Salary Grade 28	$8,774	$11,931	$9,019	$12,265	2.8%
Foreman					
Salary Grade 29	$9,037	$12,290	$9,290	$12,634	2.8%
Salary Grade 30	$9,298	$12,645	$9,559	$13,000	2.8%
SCADA Supervisor					
Salary Grade 31	$9,577	$13,029	$9,846	$13,392	2.8%
Salary Grade 32	$9,865	$13,416	$10,141	$13,792	2.8%
Salary Grade 33	$10,162	$13,819	$10,445	$14,205	2.8%
Salary Grade 34	$10,467	$14,233	$10,759	$14,631	2.8%
Waste Water Chief Plant Operator					

Table 5 Compensation Plan - Salary Range Schedule - Exempt
Effective Fiscal Year 2024/2025

	FY 2023/2024 Monthly Salary		FY 2024/2025 Monthly Salary		Percent of
	Minimum	Maximum	Minimum	Maximum	Increase
Salary Grade 41E Public Affairs Manager	$8,771	$12,280	$9,017	$12,624	2.8%
Salary Grade 44E Senior Engineer	$10,446	$14,626	$10,738	$15,036	2.8%
Salary Grade 45E Operations Superintendent Salary	$11,073	$15,504	$11,383	$15,937	2.8%
Grade 46E Information Technology Manager	$11,737	$16,434	$12,065	$16,894	2.8%
Salary Grade 48E Director of Engineering Director Human Resources	$13,188	$18,465	$13,557	$18,982	2.8%
Salary Grade 49E Chief Financial Officer	$13,979	$19,574	$14,370	$20,122	2.8%

CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM

The District has significant infrastructure and capital assets that periodically need to be replaced or refurbished in order to be able to continue to provide services to the District's customers.

Objectives
- Replace and refurbish District owned facilities to improve the ability of staff to provide services, including the Main Office Building, the Warehouse Complex, the Wastewater Recycling Plant (WRP), and various other buildings and properties owned by the District.
- Maintain high quality water pump stations, reservoirs, and water mains, sewer lift stations and sewer mains, and recycled water facilities and mains by reconstructing or rehabilitating these infrastructure assets when necessary. Continuously improve the infrastructure in the District to respond to changing needs, challenges, and regulations.
- Purchase new and replacement vehicles and equipment to support and enhance District operations.

Overview

The District is committed to the replacement and refurbishment of its facilities, infrastructure, and capital assets and has developed a multi-year Capital Replacement and Refurbishment program to guide the replacement and refurbishment process. The Program is updated in conjunction with the annual budget to reflect changing conditions and resources. One of the primary obligations of the District is the construction, reconstruction, rehabilitation, and maintenance of its facilities, infrastructure, and capital assets. The financial health of the District is greatly impacted by its ability to adequately maintain its capital assets and avoid the substantial financial and service impacts that results from deteriorated capital assets. The types of capital improvements undertaken by the District include:

- **Water System Projects** - The maintenance and improvement of the District's water system is an important component of the capital program. The capacity, structural integrity, and general condition of the reservoirs, storage facilities, pumps, water mains, and service lines are critical to the District's continued ability to supply its customers with clean, high quality drinking water and to provide adequate pressure for daily demands and fire suppression. Water system improvements include the construction or rehabilitation of any part of the water distribution system, including water mains, water main valves, water service lines, reservoirs, and storage facilities.

  The 2024-2025 Capital Budget includes replacing pumps and motors at Cherry Booster Station. In addition, multiple other capital projects for the Water System are budgeted for 2024-2025 including the R-4 Reservoir Mixing System replacement, the Mouton/El Toro Cathodic Protection Study, and several Human-Machine Interface (HMI) and Programmable Logic Controller (PLC) replacements.

- **Wastewater Treatment System Projects** - The maintenance and improvement of the District's wastewater treatment system is another important component of the overall capital program. The Wastewater system collects wastewater from residences and businesses, utilizes mechanical and biological processes to metabolize and remove pollutants, and then discharges the effluent (the cleaned water) to either the Tertiary Treatment Plant (for recycled water) or to the Ocean Outfall pipeline where it is transported to the Pacific Ocean. The solids that remain after the treatment process are transported via truck to the South Orange County Wastewater Authority (SOCWA) for final treatment and disposal. Sanitary Sewer System Improvements include the construction, reconstruction, or rehabilitation of any part of the wastewater collection and treatment system, including sanitary sewer mains, sanitary sewer pumps, lift stations, and the WRP.

  The 2024-2025 budget includes several significant projects, including final design for rehabilitation of the Aliso Creek Pump Station, the rehabilitation of the Grit Chamber and the rehabilitation of the Headworks and Secondary Clarifier No. 1 at the WRP. In addition, multiple other capital projects for the Wastewater System are budgeted for 2024-2025 including the Westline Main Switchboard Replacement, Freeway Electrical Equipment Replacement, Westline Generator Replacement, and several Human-Machine Interface (HMI) and Programmable Logic Controller (PLC) replacements.

- **Recycled Water System Projects** - The maintenance and improvement of the District's recycled water system is the final component of the capital program. The capacity, structural integrity, and general condition of the tertiary treatment facility, recycled water mains, and service lines are critical to the District's continued ability to supply its customers with high quality recycled water for irrigation purposes. Recycled water system improvements include the construction or rehabilitation of any part of the distribution system, including mains, main valves, and service lines.

  The 2024-2025 budget includes additional tertiary filter disks and tertiary disinfection system optimization. Any additional revenue beyond these expenditures generated from the capital rate charges is being used to pay the debt service costs.

Ten Year Capital Replacement & Refurbishment Program
F.Y. 2024/25 - 2033/34

NO.	DESCRIPTION	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	TOTAL	WATER	SEWER
	Source of Supply / Storage Projects													
1	JRWSS Capital Budget	18,618	27,555	9,279	2,087	4,911	12,490	12,490	12,490	12,490	12,490	124,900	124,900	
2	Baker WTP Replacement Fund	56,200	56,200	56,200	56,200	56,200	56,200	56,200	56,200	56,200	56,200	562,000	562,000	
3	Direct Potable Reuse Feasibility Study	454,000										454,000	454,000	
3	Direct Potable Reuse Feasibility Study (Assumed Grant Funding)	(454,000)										(454,000)	(454,000)	
	Total Source of Supply / Storage Projects	74,818	83,755	65,479	58,287	61,111	68,690	68,690	68,690	68,690	68,690	686,900	686,900	0
	Pumping (Water) Projects													
1	Water Stations PLC Upgrade to Control Logix	25,000	26,000	27,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	288,000	288,000	
1	Water Stations PLC Upgrade to Control Logix (Carryover)	(25,000)	(26,000)	(25,734)								(76,734)	(76,734)	
2	R-6 Seepage Recovery Control Panel Rehabilitation									25,000		25,000	25,000	
3	R-4 Reservoir Interior Recoating							155,700	1,557,000			1,712,700	1,712,700	
4	R-5 Interior Recoating and Exterior Repair										146,900	146,900	146,900	
5	R-2 Exterior Recoating									29,200	292,000	321,200	321,200	
6	P-3 Pump Station Stationary Generator Project		75,500	755,000								830,500	830,500	
6	P-3 Pump Station Stationary Generator Project (Carryover)		(75,500)	(188,750)								(264,250)	(264,250)	
6	P-3 Pump Station Stationary Generator Project (Grant Funding)			(566,250)								(566,250)	(566,250)	
7	R-6 Reservoir Floating Cover and Liner Replacement Project										1,033,171	1,033,171	1,033,171	
8	R-6 Outlet Flow Meter Backup	9,000										9,000	9,000	
9	South Orange County Turnout Project	75,000				1,000,000	1,000,000	375,000				2,450,000	2,450,000	
10	Moulton Parkway/El Toro Road Cathodic Protection	145,000										145,000	145,000	
10	Moulton Parkway/El Toro Road Cathodic Protection (Carryover)	(81,340)										(81,340)	(81,340)	
11	Fire Flow Improvements at San Amadeo and Via Carrizo								90,000			90,000	90,000	
12	Fire Flow Improvements at Avenida Sevilla					48,500	449,100					497,600	497,600	
13	Fire Flow Improvements at Ronda Mendoza					127,000						127,000	127,000	
14	Fire Flow Improvements at Calle Sonora and Via Campo Verde										146,700	146,700	146,700	
	Total Pumping (Water) Projects	147,660	0	1,266	27,000	1,203,500	1,478,100	560,700	1,678,000	86,200	1,651,771	6,834,197	6,834,197	0
	Pumping (Water) Equipment													
1	Cherry Booster Station Pump & Motor Replacement	167,000										167,000	167,000	
2	Shenandoah Booster Station Pump & Motor Replacement		185,000									185,000	185,000	
3	New Handheld Meter Readers	14,500										14,500	14,500	
4	Water Station HMI Replacement	10,000	10,000	11,000	11,000	11,000	12,000	12,000	12,000	13,000	13,000	115,000	115,000	
4	Water Station HMI Replacement (Carryover)	(9,962)										(9,962)	(9,962)	
5	R-6 Chlorine and Ammonia Injection System Replacement			282,000								282,000	282,000	
6	Main PR Generator Replacement								62,000			62,000	62,000	
7	P-3 Motor Replacement			16,000								16,000	16,000	
8	R-5 Reservoir Mixing System Replacement					82,000						82,000	82,000	
9	R-4 Reservoir Mixing System Replacement	70,000										70,000	70,000	
10	R-1/R-2 Reservoir Mixing System Replacement										205,000	205,000	205,000	
11	Spare Tidal Wave Mixer			20,000								20,000	20,000	
12	PRV-19 Rehabilitation					22,000						22,000	22,000	
13	JTM PRV Inlet Isolation Valve Replacement			13,000								13,000	13,000	
14	Alscot Booster Station Electrical Equipment Replacement				90,250	270,750						361,000	361,000	
15	Spartan Booster Station Main Switchboard Retrofit					31,000						31,000	31,000	
16	P-1 Pump and Motor Replacement					148,000						148,000	148,000	
	Total Pumping (Water) Equipment	251,538	195,000	342,000	101,250	564,750	12,000	12,000	74,000	13,000	218,000	1,783,538	1,783,538	0

Ten Year Capital Replacement & Refurbishment Program
F.Y. 2024/25 - 2033/34

NO.	DESCRIPTION	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2023/34	TOTAL	WATER	SEWER
	Pumping (Sanitation) Projects													
1	Sewer Stations PLC Upgrade to Control Logix	25,000	26,000	27,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	288,000		288,000
1	Sewer Stations PLC Upgrade to Control Logix (Carryover)	(25,000)	(26,000)	(27,000)	(27,000)	(13,295)						(118,295)		(118,295)
2	Aliso Creek Pump Station Rehabilitation Project	600,000		4,621,000	3,173,000							8,394,000		8,394,000
2	Aliso Creek Pump Station Rehabilitation Project (Revenue Bond)			(2,000,000)								(2,000,000)		(2,000,000)
2	Aliso Creek Pump Station Rehabilitation Project (Carryover)	(600,000)		(696,404)								(1,296,404)		(1,296,404)
3	4920 Lift Station Rehabilitation			12,000								12,000		12,000
4	Delta Lift Station Coating Rehabilitation						14,000					14,000		14,000
5	Delta Lift Station Wall Repair						58,000					58,000		58,000
6	Freeway Lift Station Coating Rehabilitation			42,000								42,000		42,000
7	Westline Lift Station Coating Rehabilitation										46,000	46,000		46,000
8	Mathis Lift Station Coating Rehabilitation										98,000	98,000		98,000
9	Veeh Lift Station Coating Rehabilitation										28,000	28,000		28,000
10	Westline Techite Replacement									160,200	1,602,000	1,762,200		1,762,200
10	Westline Techite Replacement (Grant Funding)										(1,321,650)	(1,321,650)		(1,321,650)
11	Northline Pipeline Repair Project		90,000									90,000		90,000
12	Northline Odor Control Project					126,000						126,000		126,000
	Total Pumping (Sanitation) Projects	0	90,000	1,978,596	3,173,000	140,705	101,000	30,000	31,000	192,200	485,350	6,221,851	0	6,221,851
	Pumping (Sanitation) Equipment													
1	Westline Main Switchboard Replacement	37,250	111,750									149,000		149,000
2	Freeway Electrical Equipment Replacement	263,362										263,362		263,362
2	Freeway Electrical Equipment Replacement (Carryover)	(110,000)										(110,000)		(110,000)
3	Veeh ATS and Main Switchboard Replacement			156,000								156,000		156,000
4	Veeh Pump Replacement					36,000						36,000		36,000
5	Westline Generator Unit 213 Replacement	267,000										267,000		267,000
6	Veeh Generator Unit 209 Replacement					262,000						262,000		262,000
7	Mathis Generator Unit 211 Replacement					156,800						156,800		156,800
8	La Paz Stabilization and Rehabilitation										340,000	340,000		340,000
8	La Paz Stabilization (Carryover)										(100,000)	(100,000)		(100,000)
9	4920 Electrical Equipment Replacement										120,000	120,000		120,000
10	Sewer Station HMI Replacement	10,000	10,000	11,000	11,000	11,000	12,000	12,000	12,000	13,000	13,000	115,000		115,000
10	Sewer Station HMI Replacement (Carryover)	(3,807)										(3,807)		(3,807)
	Total Pumping (Sanitation) Equipment	463,806	121,750	167,000	11,000	465,800	12,000	12,000	12,000	13,000	373,000	1,651,356	0	1,651,356
	Treatment (Sanitation) Projects													
1	Headworks and Secondary Clarifier No. 1 Rehabilitation	1,974,000	5,430,000	2,468,000								9,872,000		9,872,000
1	Headworks and Secondary Clarifier No. 1 Rehabilitation (Revenue Bond)	(1,974,000)	(2,531,878)	(741,707)								(5,247,585)		(5,247,585)
1	Headworks and Secondary Clarifier No. 1 Rehabilitation (Accumulated Capital)		(233,074)									(233,074)		(233,074)
2	Secondary Clarifier No. 3 and 4 Rehabilitation							823,000	2,119,000	5,675,000	899,000	9,516,000		9,516,000
2	Secondary Clarifier No. 3 and 4 Rehabilitation (Carryover)							(80,000)				(80,000)		(80,000)
3	RAS Pump Station Rehabilitation	24,800	248,000									272,800		272,800
4	RAS Pump and Motor Replacement						146,000					146,000		146,000
5	Grit Chamber Rehabilitation	1,046,502										1,046,502		1,046,502
5	Grit Chamber Rehabilitation (Carryover)	(148,599)										(148,599)		(148,599)
5	Grit Chamber Rehabilitation (Accumulated Capital)	(897,903)										(897,903)		(897,903)
6	OOPS MCC and Valve Rehabilitation Project	191,000										191,000		191,000
7	Holding Pond West Side Drainage					199,000	307,000					506,000		506,000
7	Holding Pond West Side Drainage (Carryover)					(68,250)						(68,250)		(68,250)
8	WRP Site Seal Coat										159,000	159,000		159,000
9	EPS Electrical Equipment Abandonment										65,000	65,000		65,000
10	Administration Building Pump Station Rehabilitation								364,000			364,000		364,000
11	Warehouse Roof Repair										65,000	65,000		65,000
12	Air Gap Pump Station Abandonment									63,000		63,000		63,000
13	Fine Screen Rehabilitation Project						667,300	4,124,000	2,832,000			7,623,300		7,623,300
14	Standby Blower Replacement	631,000										631,000		631,000
14	Standby Blower Replacement (Accumulated Capital)	(349,375)										(349,375)		(349,375)
	Total Treatment (Sanitation) Projects	497,425	2,913,048	1,726,293	0	130,750	1,120,300	4,867,000	5,315,000	5,738,000	1,188,000	23,495,816	0	23,495,816

Ten Year Capital Replacement & Refurbishment Program
F.Y. 2024/25 - 2033/34

ITEM	DESCRIPTION	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2023/34	TOTAL	WATER	SEWER
	Treatment (Sanitation) Equipment													
1	Aeration Basin Diffusers				284,000		801,000					1,085,000		1,085,000
2	DAF No. 1 MCC Replacement	149,000										149,000		149,000
2	DAF No. 1 MCC Replacement (Carryover)	(69,000)										(69,000)		(69,000)
3	Additional Tertiary Filter Disks	92,000										92,000		92,000
3	Additional Tertiary Filter Disks (Recycled Water Reserves)	(92,000)										(92,000)		(92,000)
4	Tertiary Disinfection Optimization Project	132,000										132,000		132,000
4	Tertiary Disinfection Optimization Project (Recycled Water Reserves)	(132,000)										(132,000)		(132,000)
5	WRP Unit 290 Radiator Replacement	150,000										150,000		150,000
6	Influent Pump Station Isolation Gate Actuator Replacement	15,000										15,000		15,000
7	Main Electrical Room GB1 Retrofit						64,000					64,000		64,000
8	WRP Historian Configuration to Hach WIMS	30,000										30,000		30,000
	Total Treatment (Sanitation) Equipment	275,000	0	0	284,000	0	865,000	0	0	0	0	1,424,000	0	1,424,000
	Outside Treatment (SOCWA)													
1	SOCWA Capital Budget	269,944	170,571	1,828,855	3,586,777	2,362,780	2,633,131	1,740,114	297,051	90,579	2,986,287	15,966,089		15,966,089
1	Reserve Funding			(1,724,370)	(1,789,167)							(3,513,537)		(3,513,537)
1	Revenue Bond Funding	(269,944)	(170,571)	(104,485)								(545,000)		(545,000)
	Total Treatment (SOCWA)	0	0	0	1,797,610	2,362,780	2,633,131	1,740,114	297,051	90,579	2,986,287	11,907,552	0	11,907,552
	Vehicles/Vehicle Equipment													
1	Vehicle Replacement	133,900	64,000	148,000	169,000	174,000	179,000	148,000	190,000	1,332,000	323,000	2,860,900	1,430,450	1,430,450
1	Vehicle Replacement (Carryover)	(24,952)										(24,952)	(12,476)	(12,476)
2	Hydro Excavator	40,000									1,566,000	1,606,000	1,606,000	
3	F-550 w/ Valve Maintenance Skid	206,000										206,000	206,000	
4	Vactor Truck								369,000	1,107,000		1,476,000		1,476,000
5	Backhoe					169,000						169,000		169,000
6	SOCWA Hauling Trailer			317,000								317,000		317,000
7	New 275 kW Portable Generator										313,000	313,000	156,500	156,500
8	Electrical Vehicle Charger			67,000								67,000	33,500	33,500
	Total Vehicles/Vehicle Equipment	354,948	64,000	532,000	169,000	343,000	179,000	148,000	559,000	2,439,000	2,202,000	6,989,948	3,419,974	3,569,974
	General Building Projects													
1	Warehouse Backup Generator Unit 216 Replacement						344,000					344,000	172,000	172,000
2	Main Office Seal Coat					67,000						67,000	33,500	33,500
3	Administration Building Rehabilitation					524,000						524,000	262,000	262,000
	Total General Building Projects	0	0	0	0	591,000	344,000	0	0	0		935,000	467,500	467,500

Ten Year Capital Replacement & Refurbishment Program
F.Y. 2024/25 - 2033/34

ITEM	DESCRIPTION	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	TOTAL	WATER	SEWER
	IT and EI&C													
1	System-Wide Security Access Panel Replacement	49,000	50,000	52,000								151,000	75,500	75,500
2	Office Phone System Replacement					56,000						56,000	28,000	28,000
3	Remittance Processing Equipment Update	20,000										20,000	10,000	10,000
4	Data Center Hardware Replacement					227,000						227,000	113,500	113,500
5	Documentum Replacement / Corporate Intranet Development	61,000										61,000	30,500	30,500
6	Radio Communications Conversion from Cellular					68,000	93,000	96,000				257,000	128,500	128,500
7	Water Distribution and Sewer Collection System SCADA Upgrade	20,000										20,000	10,000	10,000
7	Water Distribution and Sewer Collection System SCADA Upgrade (Carryover)	(20,000)										(20,000)	(10,000)	(10,000)
	Total IT and EI&C	130,000	50,000	52,000	0	351,000	93,000	96,000	0	0	0	772,000	386,000	386,000
	Other Studies													
1	Asset Management	100,000	80,000	80,000								260,000	130,000	130,000
1	Asset Management (Carryover)	(6,860)										(6,860)	(3,430)	(3,430)
2	Orange County Cross Connection Policy Handbook	20,000										20,000	20,000	0
3	Lead and Copper Rule Revisions Service Line Inventories	97,908										97,908	97,908	0
	Total Other Studies	211,048	80,000	80,000	0	0	0	0	0	0	0	371,048	244,478	126,570
	Contingency													
1	Contingency	122,092	32,545	170,953	132,442	130,610	173,919	39,664	17,998	152,400	143,694	1,116,317	558,159	558,159
	Total Contingency	122,092	32,545	170,953	132,442	130,610	173,919	39,664	17,998	152,400	143,694	1,116,317	558,159	558,159
	Total Capital Budget	2,528,335	3,630,098	5,115,587	5,753,589	6,345,006	7,080,140	7,574,168	8,052,739	8,793,069	9,316,792	64,189,523	14,380,746	49,808,777
	Total Capital Projects	991,997	3,183,076	3,937,111	5,122,118	4,555,151	5,832,181	7,286,336	7,398,740	6,251,869	6,451,945	51,010,523	8,512,154	42,498,368
	WATER	417,479	131,891	149,484	118,398	1,592,764	1,762,270	639,306	1,751,190	192,990	1,756,384	8,512,154	8,512,154	
	SEWER	574,518	3,051,184	3,787,627	5,003,721	2,962,388	4,069,911	6,647,030	5,647,550	6,058,879	4,695,561	42,498,368		42,498,368
	Total Capital Equipment	1,536,338	447,023	1,178,477	631,471	1,789,855	1,247,960	287,832	653,999	2,541,200	2,864,847	13,179,000	5,868,592	7,310,409
	WATER	647,535	260,136	518,238	218,861	859,903	191,480	143,916	173,500	717,100	2,137,924	5,868,592	5,868,592	
	SEWER	888,803	186,886	660,238	412,611	929,953	1,056,480	143,916	480,500	1,824,100	726,924	7,310,409		7,310,409
	Total Capital Budget	2,528,335	3,630,098	5,115,587	5,753,589	6,345,006	7,080,140	7,574,168	8,052,739	8,793,069	9,316,792	64,189,523	14,380,746	49,808,777
	WATER	1,065,014	392,028	667,722	337,258	2,452,666	1,953,750	783,222	1,924,689	910,090	3,894,308	14,380,746	14,380,746	
	SEWER	1,463,321	3,238,071	4,447,865	5,416,331	3,892,340	5,126,391	6,790,946	6,128,050	7,882,979	5,422,484	49,808,777		49,808,777
	Total Capital Investment	7,673,477	6,693,121	11,190,287	7,569,756	6,426,551	7,080,140	7,654,168	8,052,739	8,793,069	10,738,442	81,871,750		
	Capital Budget	2,528,335	3,630,098	5,115,587	5,753,589	6,345,006	7,080,140	7,574,168	8,052,739	8,793,069	9,316,792	64,189,523		
	SOCWA Reserve	0	0	1,724,370	1,789,167	0	0	0	0	0	0	3,513,537		
	Accumulated Capital	1,247,278	233,074	0	0	0	0	0	0	0	0	1,480,352		
	Carryover	975,920	127,500	937,888	27,000	81,545	0	80,000	0	0	100,000	2,329,853		
	Recycled Reserves	224,000	0	0	0	0	0	0	0	0	0	224,000		
	Bond Funds	2,243,944	2,702,449	2,846,192	0	0	0	0	0	0	0	7,792,585		
	Grant Funding	454,000	0	566,250	0	0	0	0	0	0	1,321,650	2,341,900		

2024/25 CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM

Projects

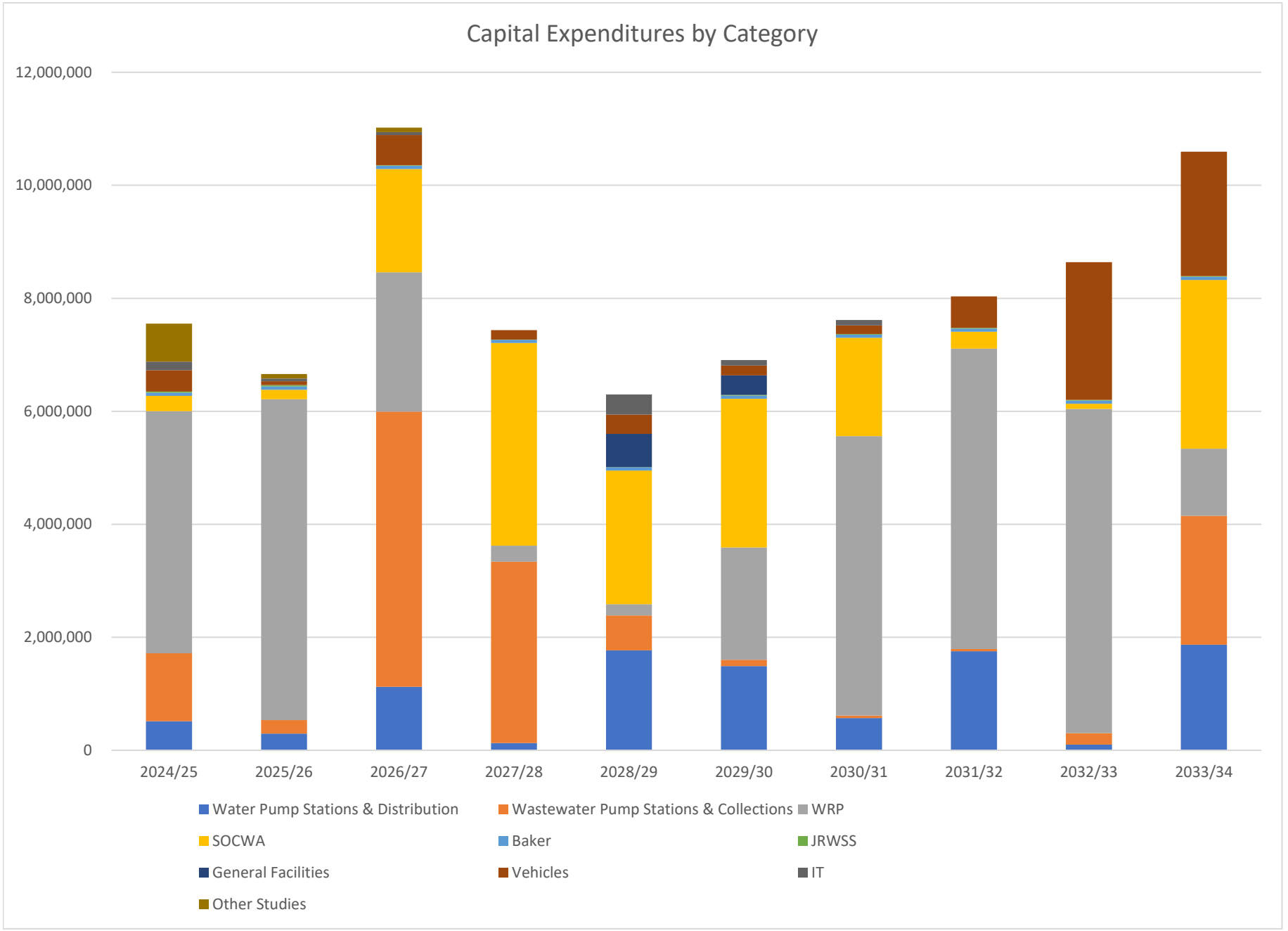
	Source of Supply / Storage Projects	
1	JRWSS Capital Budget	18,618
2	Baker WTP Replacement Fund	56,200
3	Direct Potable Reuse Feasibility Study	454,000
3	Direct Potable Reuse Feasibility Study (Assumed Grant Funding)	(454,000)
	Total Source of Supply / Storage Projects	74,818
	Pumping (Water) Projects	
4	Water Stations PLC Upgrade to Control Logix	25,000
4	Water Stations PLC Upgrade to Control Logix (Carryover)	(25,000)
6	R-6 Outlet Flow Meter Backup	9,000
7	South Orange County Turnout Project	75,000
8	Moulton Parkway/El Toro Road Cathodic Protection	145,000
8	Moulton Parkway/El Toro Road Cathodic Protection (Carryover)	(81,340)
	Total Pumping (Water) Projects	147,660
	Pumping (Sanitation) Projects	
9	Sewer Stations PLC Upgrade to Control Logix	25,000
9	Sewer Stations PLC Upgrade to Control Logix (Carryover)	(25,000)
10	Aliso Creek Pump Station Rehabilitation Project	600,000
10	Aliso Creek Pump Station Rehabilitation Project (Carryover)	(600,000)
	Total Pumping (Sanitation) Projects	0
	Treatment (Sanitation) Projects	
11	Headworks and Secondary Clarifier No. 1 Rehabilitation	1,974,000
11	Headworks and Secondary Clarifier No. 1 Rehabilitation (Revenue Bond)	(1,974,000)
12	RAS Pump Station Rehabilitation	24,800
13	Grit Chamber Rehabilitation	1,046,502
13	Grit Chamber Rehabilitation (Carryover)	(148,599)
13	Grit Chamber Rehabilitation (Accumulated Capital)	(897,903)
14	OOPS MCC and Valve Rehabilitation Project	191,000
15	Standby Blower Replacement	631,000
15	Standby Blower Replacement (Accumulated Capital)	(349,375)
	Total Treatment (Sanitation) Projects	497,425
	Outside Treatment (SOCWA)	
16	SOCWA Capital Budget	269,944
16	SOCWA Capital Budget (Revenue Bond)	(269,944)
	Total Treatment (SOCWA)	0
	Other Studies	
17	Asset Management	100,000
17	Asset Management (Carryover)	(6,860)
18	Orange County Cross Connection Policy Handbook	20,000
19	Lead and Copper Rule Revisions Service Line Inventories	97,908
	Total Contingency	211,048
	Total Capital Projects	$991,997

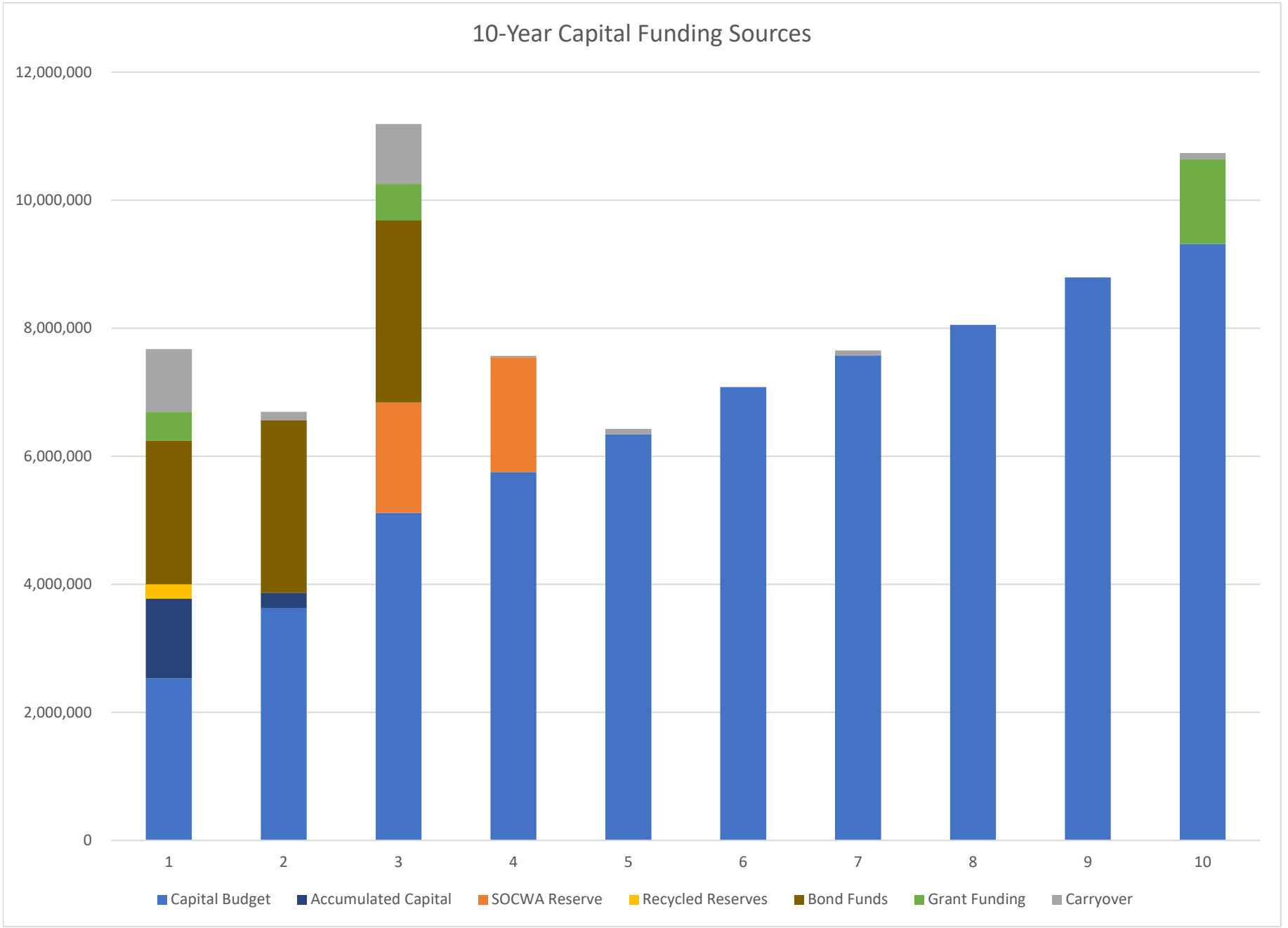
Equipment

	Pumping (Water) Equipment	
1	Cherry Booster Station Pump & Motor Replacement	167,000
2	New Handheld Meter Readers	14,500
3	Water Station HMI Replacement	10,000
4	Water Station HMI Replacement (Carryover)	(9,962)
4	R-4 Reservoir Mixing System Replacement	70,000
	Total Pumping (Water) Equipment	251,538
	Pumping (Sanitation) Equipment	
5	Westline Main Switchboard Replacement	37,250
6	Freeway Electrical Equipment Replacement	263,362
6	Freeway Electrical Equipment Replacement (Carryover)	(110,000)
7	Westline Generator Unit 213 Replacement	267,000
8	Sewer Station HMI Replacement	10,000
8	Sewer Station HMI Replacement (Carryover)	(3,807)
	Total Pumping (Sanitation)	463,806
	Treatment (Sanitation) Equipment	
9	DAF No. 1 MCC Replacement	149,000
9	DAF No. 1 MCC Replacement (Carryover)	(69,000)
10	Additional Tertiary Filter Disks	92,000
10	Additional Tertiary Filter Disks (Recycled Water Reserves)	(92,000)
11	Tertiary Disinfection Optimization Project	132,000
11	Tertiary Disinfection Optimization Project (Recycled Water Reserves)	(132,000)
12	WRP Unit 290 Radiator Replacement	150,000
13	Influent Pump Station Isolation Gate Actuator Replacement	15,000
14	WRP Historian Configuration to Hach WIMS	30,000
	Total Treatment (Sanitation) Equipment	275,000
	Vehicles / Vehicle Equipment	
15	Vehicle Replacement	133,900
15	Vehicle Replacement (Carryover)	(24,952)
16	Hydro Excavator	40,000
17	F-550 w/ Valve Maintenance Skid	206,000
	Total Vehicles/Vehicle Equipment	354,948
	IT and EI&C	
7	System-Wide Security Access Panel Replacement	49,000
8	Remittance Processing Equipment Update	20,000
9	Documentum Replacement / Corporate Intranet Development	61,000
10	Water Distribution and Sewer Collection System SCADA Upgrade	20,000
10	Water Distribution and Sewer Collection System SCADA Upgrade (Carryover)	(20,000)
	Total IT and EI&C	130,000
	Contingency	
11	Contingency	122,092
	Total Contingency	122,092
	Total Capital Equipment	$1,536,338

LEGEND
WATER
SEWER
BOTH

Total Capital Projects	991,997
Total Capital Equipment	1,536,338
Total Capital Budget	2,528,335


Capital Expenditures by Category
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
2024/25
2025/26
2026/27
2027/28
2028/29
2029/30
2030/31
2031/32
2032/33
2033/34
Water Pump Stations & Distribution
Wastewater Pump Stations & Collections
WRP
SOCWA
Baker
JRWSS
General Facilities
Vehicles
IT
Other Studies


10-Year Capital Funding Sources
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
1
2
3
4
5
6
7
8
9
10
Capital Budget
Accumulated Capital
SOCWA Reserve
Recycled Reserves
Bond Funds
Grant Funding
Carryover

2024-2025 ANNUAL BUDGET

(OPTION 2)

2024 - 2025 ANNUAL BUDGET

EL TORO WATER DISTRICT

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Principal Officials
On the Budget Approval Date of April 22, 2024

PRESIDENT
Mark Monin

VICE-PRESIDENT

Michael Gaskins

BOARD OF DIRECTORS

Kathryn Freshley | Fred Adjarian | Kay Havens

GENERAL MANAGER

Dennis Cafferty

MANAGEMENT TEAM

Judy Cimorell	Director of Human Resources
Vishav Sharma	Chief Financial Officer
Scott Hopkins	Operations Superintendent
Mike Miazga	Information Technology Manager
Hannah Ford	Director of Engineering

The mission of the El Toro Water District is to provide its customers with safe, adequate, and reliable water, sewer, and recycled water services in an environmentally and economically responsible manner. The District intends to accomplish this mission by efficiently and effectively managing its operations and maintenance activities and prudently and effectively investing in its capital assets.

April 22, 2024

Presented for your review and consideration is the Budget document for the El Toro Water District for Fiscal Year 2025, which begins July 1, 2024 and ends June 30, 2025. The District's budget provides a framework for achieving the strategic objectives established by the District Board and illustrates how the resources entrusted to the District by customers are utilized to provide effective, efficient, and high quality water, wastewater, and recycled water services. The core purposes of the District's annual budget include estimating the financial resources that will be available to the District during the budget period and authorizing a spending plan that utilizes those financial resources to support the District's services, programs, and projects. The Budget is developed and modified through an extensive review process that involves the Board of Directors and Staff and reflects a continued commitment by the District to deliver safe, reliable, and high quality services to customers.

The District remains committed to keeping rates as low as possible for customers but the price increases that are happening in the economy are a severe challenge for achieving this goal. Last year the District published a three-year rate study and 218 Notice that identified a three-year rate plan to support its Operations and Maintenance and Capital budgets. After developing the 2024-25 draft budget and analyzing various scenarios, staff proposes the District continue to follow the path we created last year for the Operations and Maintenance and Capital rates.

The Metropolitan Water District approved budget identifies an 11% rate increase on the purchase of treated imported water instead of the expected seven percent increase when the rate study was prepared last year. In addition, similar cost pressures have contributed to rising O&M costs at the Baker Water Treatment Plant beyond those anticipated in the previous rate study. The cost of water supplies is passed on to the customers without adding any operations or capital charges. The increase in the cost of water is so significant that the staff is proposing a new rate study and 218 notice focused only on the water and recycled water commodity rates.

The process of developing the annual budget includes a thorough assessment of the external environment so the District can respond to challenges that may occur in a particular budget period.

The following examples of cost increases and decreases identify certain of the key drivers in the 2024-25 budget:

- Purchased water expense is projected to increase $744,169 or 8.29 %;
- Electrical Power expense is projected to increase $236,580 or 13.25%;
- SOCWA contract expense is projected to increase $100,000 or 9.09%;
- Retiree Health Insurance cost is projected to increase $50,000 or 16.67%;
- Chemical purchases (including treatment and laboratory chemicals) are projected to decrease by $19,800 or (5.28%). This is largely due to the assumed decrease in sales of recycled water.

In contrast to these expenses, which are necessary for District operations, Staff has strived to limit increases in expenses that are to some extent controllable. Examples include:

- Personnel costs are relatively controlled with a total increase of $310,069 from budget to budget. or 3.02%. Employee turnover has allowed Staff to control the total increase with new employees coming in with lower costs than retiring employees and not filling three open positions in the fiscal year 2024-25. In addition, a

portion of estimated capitalized labor has been shifted to the capital budget thereby reducing the impact on O&M expense to $109,631;
- Legal Services expenses remain stable in the 2024-2025 Budget;

Review of Accomplishments in the 2023 - 2024 Budget Period

Throughout the 2023 - 2024 budget period, the District accomplished many of the objectives and projects incorporated into the 2023 - 2024 Budget plan, including:

Significant Achievements & Projects

- The District's continued its commitment to excellent financial management practices as demonstrated by the receipt of the Certificate of Achievement for Excellence in Financial Reporting for the FY 2022 Comprehensive Annual Financial Report, a national recognition of the District's financial reporting by the Government Finance Officers Association (GFOA) of the United States.
- The District procured an Enterprise Resource Management software system to integrate its financial operations from three different software systems into one system. The implementation of the system occurred towards the end of the 2022 fiscal year and continued into the 2024 fiscal year.
- The District utilized the 2022 Revenue Bond proceeds to continue capital improvement projects that will refurbish significant portions of the District's infrastructure, as described below.

Infrastructure Improvements

The District is dedicated to invest in its infrastructure improvement needs so that the community can rely on its Water, wastewater and Recycled water utility.

- The Water system 2024-2025 capital budget includes replacing pumps and motors at Cherry Booster Station. In addition, multiple other capital projects for the Water System are budgeted for 2024-2025 including the R-4 Reservoir Mixing System replacement, the Mouton/El Toro Cathodic Protection Study, and several Human-Machine Interface (HMI) and Programmable Logic Controller (PLC) replacements.
- The Wastewater treatment system 2024-2025 capital budget includes several significant projects, including final design for rehabilitation of the Aliso Creek Pump Station, the rehabilitation of the Grit Chamber and the rehabilitation of the Headworks and Secondary Clarifier No. 1 at the WRP. In addition, multiple other capital projects for the Wastewater System are budgeted for 2024-2025 including the Westline Main Switchboard Replacement, Freeway Electrical Equipment Replacement, Westline Generator Replacement, and several Human-Machine Interface (HMI) and Programmable Logic Controller (PLC) replacements.
- The Recycled water 2024-2025 capital budget includes additional tertiary filter disks and tertiary disinfection system optimization. Any additional revenue beyond these expenditures generated from the capital rate charges is being used to pay the debt service costs.

Goals and Objectives for the 2024 – 2025 Budget

The 2024 – 2025 budget includes the following goals and objectives:

- Continue setting rates for operating activities that generate enough revenue to fully support operating expenses;
- Continue the process of increasing Capital Rates to generate additional Capital Facility revenue to fully fund the 2022 Revenue Bond debt service expenses from recurring revenue and to enhance investment in the District capital infrastructure which is necessary to provide reliable service;
- Establish a reliable, stable and predictable rate adjustment strategy that minimizes impact to customers;

- Generate a revenue plan to restore and maintain minimum reserve levels sufficient to fund legally restricted reserves, board mandated reserves and working capital requirements;
- Employ cost containment and reduction strategies and practices as appropriate to cost effectively maintain reliable service levels.

Assumptions Integrated into the 2024 – 2025 Budget

The following budgetary assumptions are incorporated into the budget:

Revenues

- Potable water sales are based on the purchase of 7,000 acre-feet (AF) of water and delivery of 6,700 AF to customers;
- The potable water usage charge which funds the purchase of water from the Metropolitan Water District through the Municipal Water District of Orange County and the purchase of water from the Baker Water Treatment Plant will increase by approximately 26 cents effective July 1, 2024 and is supported by an independently prepared Cost of Service Study Report;
- The potable water service charge (Water System Operations & Maintenance "O&M") will increase by 3.9% effective July 1, 2024 as defined in the multi-year 218 Notice published in 2023;
- The wastewater service charge (Wastewater System Operations & Maintenance) will increase by 3.9% effective July 1, 2024 as defined in the multi-year 218 Notice published in 2023;
- The recycled service charge (Recycled Water System Operations & Maintenance "O&M") will increase by 3.9% effective July 1, 2024 as defined in the multi-year 218 Notice published in 2023;
- The recycled usage charge will increase by 24 cents effective July 1, 2024 and is supported by an independently prepared Cost of Service Study Report;
- Non-rate revenue includes shared maintenance of joint facilities with neighboring agencies, cellular communication site leases and other miscellaneous revenues;
- Property Tax Revenue increase of $165,800 (14.35%) from $1,155,000 to $1,320,800. This change reflects the actual property tax revenue collection was better than projected in prior years;
- Investment income is projected to increase due to interest rate increases that occurred in 2023;
- Capital facility charges are designed to assist in covering the cost of the water, wastewater and recycled water capital improvement program during the fiscal year and will increase an average of 25% effective July 1, 2024 as defined in the multi-year 218 Notice published in 2023;
- Rate increases comply with all applicable state constitutional and statutory mandates.

Expenses

- Purchased water costs are affected by the increased rates charged by Metropolitan Water District of Southern California and Municipal Water District of Orange County and the increased operations and maintenance costs associated with the District's owned capacity in the Baker Water Treatment Plant;
- Energy (electrical power) costs have increased based on expected system operations, capital improvements and analysis of actual Southern California Edison rates and charges;
- SOCWA Operation costs for regional bio-solids and effluent disposal are projected to increase substantially based on the anticipated SOCWA 2024/25 budget;

- Personnel costs are projected to increase by only 3.02% as the District decided not to fill three full time positions during fiscal year 2024-25. Increases in medical premiums and the District's contributions to the employees 401(k) Retirement Savings Plan are included in the budget;
- Operating costs exclusive of purchased water, interest, labor and depreciation have increased by approximately 15.77% compared to the prior budget year.

Capital Replacement & Refurbishment Program

- Staff has updated the ten-year Capital Improvement Program (CIP) to preserve water, sewer and recycled water infrastructure, meet regulatory requirements, and ensure continuous quality services are provided. Projected Water, Sewer and Recycled Water capital improvement expenses (projects and equipment) for budget year 2024 - 2025 total $7.7 million. The 2024 – 2025 capital improvement expenses will be funded by revenue from the Capital Facilities charge combined with 2022 Revenue Bond proceeds and cash reserves accumulated in prior years.
- Revenue generated from the Recycled Water Capital Facilities charge amounts to $227,377 and will be used to fund recycled water capital projects and to offset the cost of Recycled Water System debt service.

Reserves

- The District maintains three categories of reserves: (1) Restricted Reserves are legally required to be held as the result of contractual agreement or legal requirement; (2) Committed Reserves are established by an action of the Board; and (3) Assigned Reserves are established by management for particular purposes.
- The Committed Reserves include (1) a Capital Construction Reserve, (2) a Rate Stabilization Reserve, (3) an Operating Reserve and (4) Working Capital. The current target reserve level for the Committed Reserves, established by Board policy, is $9.3 million.
- The 2024 –2025 Budget continues the process of replenishing the Capital Construction, Rate Stabilization and Working Capital Reserves to the targets defined in the District Cash Reserve Policy.

Conclusion

The 2024 – 2025 Budget is the result of considerable discussion and careful deliberation by the District's Board of Directors and Staff. The preparation, review and deliberation of the budget require a significant time commitment from the organization. The level of commitment demonstrated throughout this process by the Board of Directors and Staff is greatly appreciated by the General Manager and Chief Financial Officer and ensures the successful completion of the budget process. The Budget is optimistic about the future but conservative in its revenue estimates. Most of all, this Budget is the result of a process in which the opportunities and challenges facing the District have been carefully assessed, documented, and addressed to facilitate the accomplishment of the strategic objectives of the Board of Directors.

Dennis Cafferty

Dennis Cafferty
General Manager

2024 – 2025 Budget Summary

This section of the budget document provides a summary of the District's financial operations, assuming the estimated revenues and expenses incorporated into the 2024 – 2025 Budget occur as forecast. Also presented is a summary of the number of authorized positions included in the 2024 – 2025 Compensation Plan. The charts and graphs in this section provide an overview of total revenues, expenses, and changes in the projected ending financial position for the District.

Summary of 2024 – 2025 Budgeted Financial Information

The 2024 – 2025 Budget includes $34,986,996 in estimated revenues and $35,673,717 in budgeted expenses, resulting in an estimated Change in Net Position of negative $686,721 for the 2024 - 2025 Budget Year. The Net Position of the District is forecast to equal $61,707,356 at the end of the 2024 – 2025 fiscal year.

Table 1. Summary of Financial Operations

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Revenues							
Operating Revenues	26,709,978	27,700,177	26,410,680	31,121,400	30,195,222	32,817,796	5.45%
Non-operating Revenues	1,398,278	1,095,156	1,833,839	1,654,400	2,349,006	2,169,200	31.12%
Capital Grants, Investment Income & Contributions	8,708	166,008	9,937,033	-	43,660	-	-
Total Revenues	28,116,964	28,961,341	38,181,553	32,775,800	32,587,887	34,986,996	6.75%
Expenses							
Operating Expenses	29,244,286	30,078,953	31,297,686	31,930,860	31,813,765	33,565,912	5.12%
Non-operating Expenses	758,339	1,072,567	1,723,651	2,203,700	2,203,700	2,107,805	-4.35%
Total Expenses	30,002,625	31,151,520	33,021,337	34,134,560	34,017,465	35,673,717	4.51%
Change in Net Position	(1,885,661)	(2,190,179)	5,160,216	(1,358,760)	(1,429,578)	(686,721)	
Beginning Net Position (July 1)	62,739,279	60,853,618	58,663,439	63,823,655	63,823,655	62,394,077	
Ending Net Position (June 30)	60,853,618	58,663,439	63,823,655	62,464,895	62,394,077	61,707,356	
Net Position (as of June 30)							
Net Investment in Capital Assets	56,108,404	30,402,906	54,968,271				
Restricted - Capital Projects	2,895	26,797,887	-				
Restricted - Debt Service	2,270,150	-	-				
Unrestricted	2,472,175	1,462,646	8,855,384				
Total Net Position	60,853,624	58,663,439	63,823,655				

Analysis of District Revenues

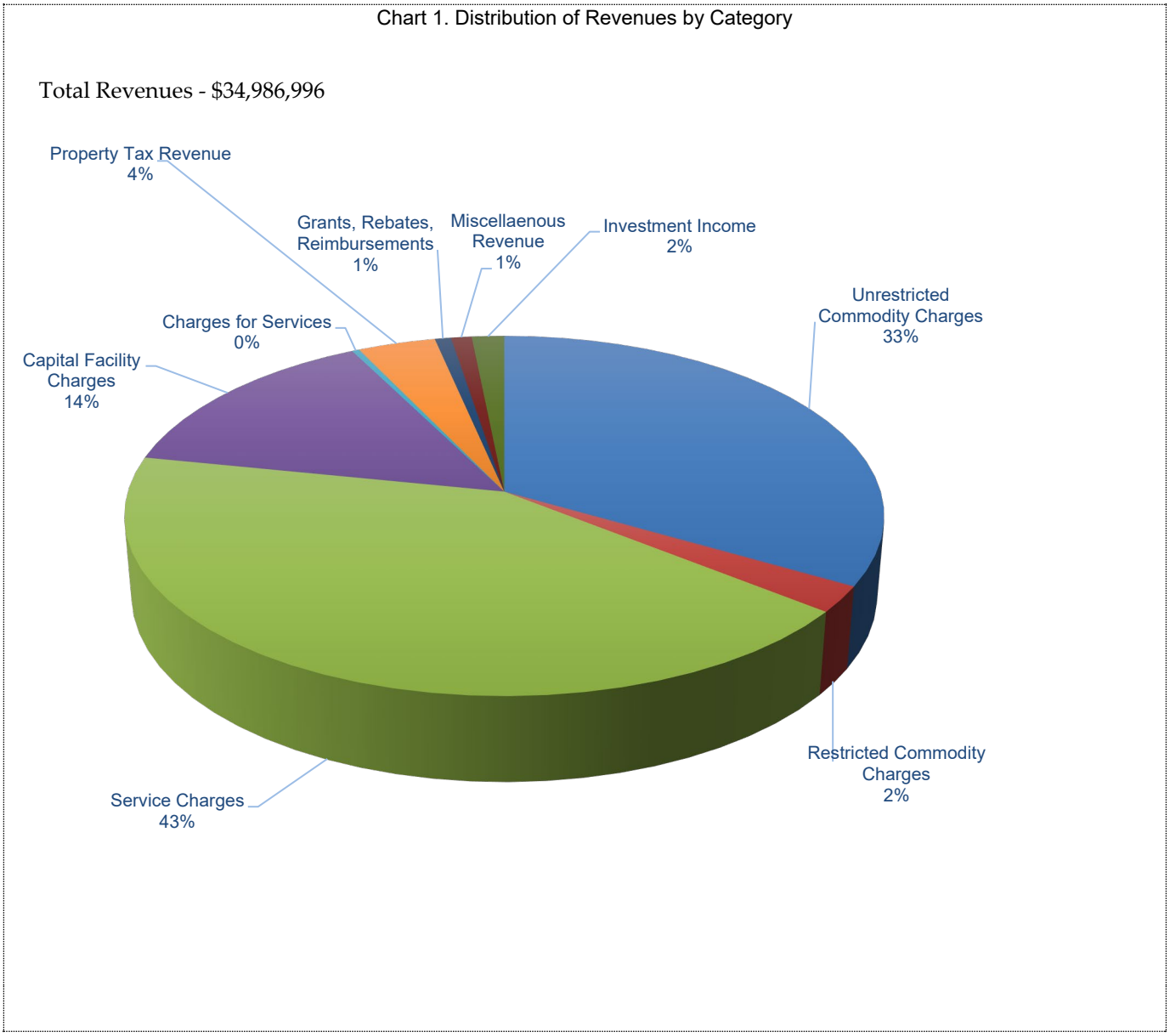
Total revenues in the 2024 – 2025 Budget are estimated to be $34,986,996 an increase of $2,211,196 (6.75%) compared to 2023 – 2024 budgeted revenues of $32,775,800. The largest sources of revenue for the District in 2024 – 2025 include Commodity Charges at $12,336,195 (37.58% of the total), Service Charges at $15,020,423 (45.77% of the total) and Capital Facility Charges at $5,009,153 (15.26% of the total). Amongst the three enterprise operations of the District, the Water Enterprise receives 48.10% of total revenues (projected at $16,827,955 in 2024 – 2025), the Wastewater Enterprise receives 30.52% of total revenues ($10,676,845), and the Recycled Water Enterprise receives 7.07% ($2,473,274) of total revenues.

Table 2. Summary of Revenues

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Operating Revenues							
Usage Charges							
Water Commodity Charges (Unrestricted)	8,826,616	8,458,976	7,479,815	9,200,200	8,904,349	9,883,227	10.99%
Water Commodity Charges (Restricted)	744,946	753,428	667,170	826,900	843,920	826,917	-2.01%
Recycled Water Commodity Charges	1,898,113	2,012,144	1,189,709	1,962,000	1,581,030	1,626,051	2.85%
Service Charges							
Water System	3,805,648	4,177,676	4,228,718	4,691,400	4,650,859	4,870,491	4.72%
Wastew ater System	7,549,752	8,042,358	8,659,162	9,350,200	9,248,336	9,684,429	4.72%
Recycled Water System	308,199	372,728	424,813	448,600	428,160	465,503	8.72%
Capital Facility Charges							
Water System	1,264,678	1,252,889	1,296,286	1,703,700	1,645,478	2,136,001	29.81%
Wastew ater System	1,605,820	1,606,146	1,724,492	2,181,800	2,163,659	2,645,774	22.28%
Recycled Water System	134,773	146,847	131,774	208,400	171,991	227,377	32.20%
Charges for Services	120,050	112,110	5,498	125,000	125,000	125,000	0.00%
Miscellaneous Operating Revenues	115,173	33,806	299,496	52,200	42,845	51,200	19.50%
Grants, Rebates, Reimbursements	336,210	731,069	303,748	371,000	389,595	275,825	-29.20%
Total Operating Revenues	26,709,978	27,700,177	26,410,680	31,121,400	30,195,222	32,817,796	8.69%
Non-operating Revenues							
Property Taxes	1,097,589	1,121,298	1,184,149	1,155,000	1,152,087	1,320,800	14.64%
Investment Income	21,511	(259,747)	395,956	250,000	932,982	550,000	-41.05%
Miscellaneous Non-operating Income	279,178	233,605	189,438	249,400	263,937	298,400	13.06%
Total Non-operating Revenues	1,398,278	1,095,156	1,769,543	1,654,400	2,349,006	2,169,200	-7.65%
Capital Contributions	8,708	166,008	64,296	-	43,660	-	-100.00%
Total Revenue	28,116,964	28,961,341	28,244,520	32,775,800	32,587,887	34,986,996	6.75%
Allocation of Revenues							
Water System	13,599,330	13,566,105	12,850,082	14,845,600	14,853,408	16,001,038	7.73%
Water System - Restricted	744,946	753,428	667,170	826,900	843,920	826,917	-2.01%
Wastew ater System	8,182,567	8,842,159	9,578,635	10,110,800	10,357,435	10,676,845	3.08%
Recycled Water System	2,584,850	2,793,767	2,060,377	2,898,600	2,551,995	2,473,043	-3.09%
Capital Improvement Program	3,005,271	3,005,882	3,152,552	4,093,900	3,981,128	5,009,153	25.82%
Total Revenue	28,116,964	28,961,341	28,308,816	32,775,800	32,587,887	34,986,996	7.36%

Presented in Chart 1 below is a visual depiction of the distribution of the major revenue sources for the District. The three largest categories of revenue comprise 90% of the District's total revenues.

Chart 1. Distribution of Revenues by Category



Analysis of District Expenses

Total budgeted Operating and Non-operating expenses included in the 2024 – 2025 Budget equal $35,673,717, an increase of $1,539,157 (4.51%) from 2023 – 2024 budgeted expenses of $34,134,560. Operating expenses are budgeted at $33,565,912, comprise 94.09% of total expenses, and increase by $1,635,052 (5.12%) from 2023 – 2024 budgeted expenses. Non-operating expenses are budgeted at $2,107,805, or 4.35% of total expenses, and decrease $95,895 (4.35%) from 2023 – 2024 budgeted expenses of $2,203,700.

Table 3. Summary of Expenses

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Operating Expenses							
General & Administrative							
Administration	2,878,828	3,840,228	1,259,483	1,169,180	1,058,330	1,294,400	10.71%
Finance & Risk Management	-	-	1,348,002	1,322,700	1,245,622	1,423,017	7.58%
Human Resources	-	-	583,068	470,180	506,687	512,110	8.92%
Technology Services	-	-	784,876	767,300	623,120	869,275	13.29%
Public Relations & Conservation	-	-	473,720	542,300	446,993	590,950	8.97%
Customer Service	533,039	662,834	914,335	990,400	920,722	1,042,700	5.28%
Operations & Maintenance							
Engineering & Compliance	-	-	826,611	980,000	869,739	503,379	-48.63%
Operations Support	2,256,253	1,988,429	947,692	893,500	910,396	970,413	8.61%
Fleet Services	402,950	393,197	568,701	505,000	433,046	575,505	13.96%
Water Supply & Treatment	8,763,806	8,811,309	8,593,606	9,586,200	10,743,213	9,856,469	2.82%
Water Storage Operations	-	-	-	-	-	585,929	-
Water Treatment	47,884	54,839	-	-	-	-	-
Water Pumping Operations	841,888	1,065,350	707,517	766,400	770,962	823,180	7.41%
Water Transmission & Distribution	2,036,230	1,359,618	1,677,077	1,496,500	1,430,498	1,763,875	17.87%
Wastew ater Pumping Operations	575,327	637,019	897,987	1,017,300	1,041,606	1,066,100	4.80%
Wastew ater Collections	747,308	138,988	1,021,523	1,178,700	985,591	1,054,000	-10.58%
Wastew ater Treatment	2,213,644	3,106,835	3,322,987	3,771,900	3,841,778	3,979,811	5.51%
Outside Treatment	1,311,087	1,300,348	-	-	-	-	-
Recycled Transmission & Distribution	15,380	6,624	270,497	250,800	235,059	380,400	51.67%
Tertiary Treatment	379,064	446,606	862,645	1,015,600	1,229,417	1,017,499	0.19%
Operating Capital Expenses							
Other Operating Expenses	1,896,043	1,978,952	1,817,796	300,000	148,687	350,000	16.67%
Depreciation & Amortization	4,345,555	4,287,777	4,419,562	4,906,900	4,372,300	4,906,900	0.00%
Total Operating Expenses	29,244,286	30,078,953	31,297,686	31,930,860	31,813,765	33,565,912	5.12%
Non-operating Expenses							
Interest Expense	758,339	1,072,567	1,723,651	2,203,700	2,203,700	2,107,805	-4.35%
Total Non-operating Expenses	758,339	1,072,567	1,723,651	2,203,700	2,203,700	2,107,805	-4.35%
Total Expenses	30,002,625	31,151,520	33,021,337	34,134,560	34,017,465	35,673,717	4.51%
Allocation of Expenses							
Water System	14,118,224	14,045,016	14,177,075	14,908,000	15,774,779	16,145,990	8.30%
Wastew ater System	8,004,329	8,763,198	9,117,127	9,938,580	9,498,954	10,143,214	2.06%
Recycled Water System	880,134	1,004,010	1,766,125	1,877,380	2,019,045	2,019,808	7.59%
Other Operating Expenses	1,896,043	1,978,952	1,817,796	300,000	148,687	350,000	16.67%
Depreciation & Amortization	4,345,555	4,287,777	4,419,562	4,906,900	4,372,300	4,906,900	0.00%
Interest Expense	758,339	1,072,567	1,723,651	2,203,700	2,203,700	2,107,805	-4.35%
Total Expenses	30,002,625	31,151,520	33,021,337	34,134,560	34,017,465	35,673,717	4.51%

The majority of expenses (45.26%) are incurred by the Water System, primarily because the purchase of potable water for sale is a part of the Water System's operations. The Wastewater System incurs the second highest level of expenses (28.43%), third highest expense category is Depreciation & Amortization (13.75%), followed by Interest Expense (5.91%) and the Recycled Water System (5.66%). Other Operating Expenses include retiree health insurance premiums and any OPEB Charges (which are not budgeted).

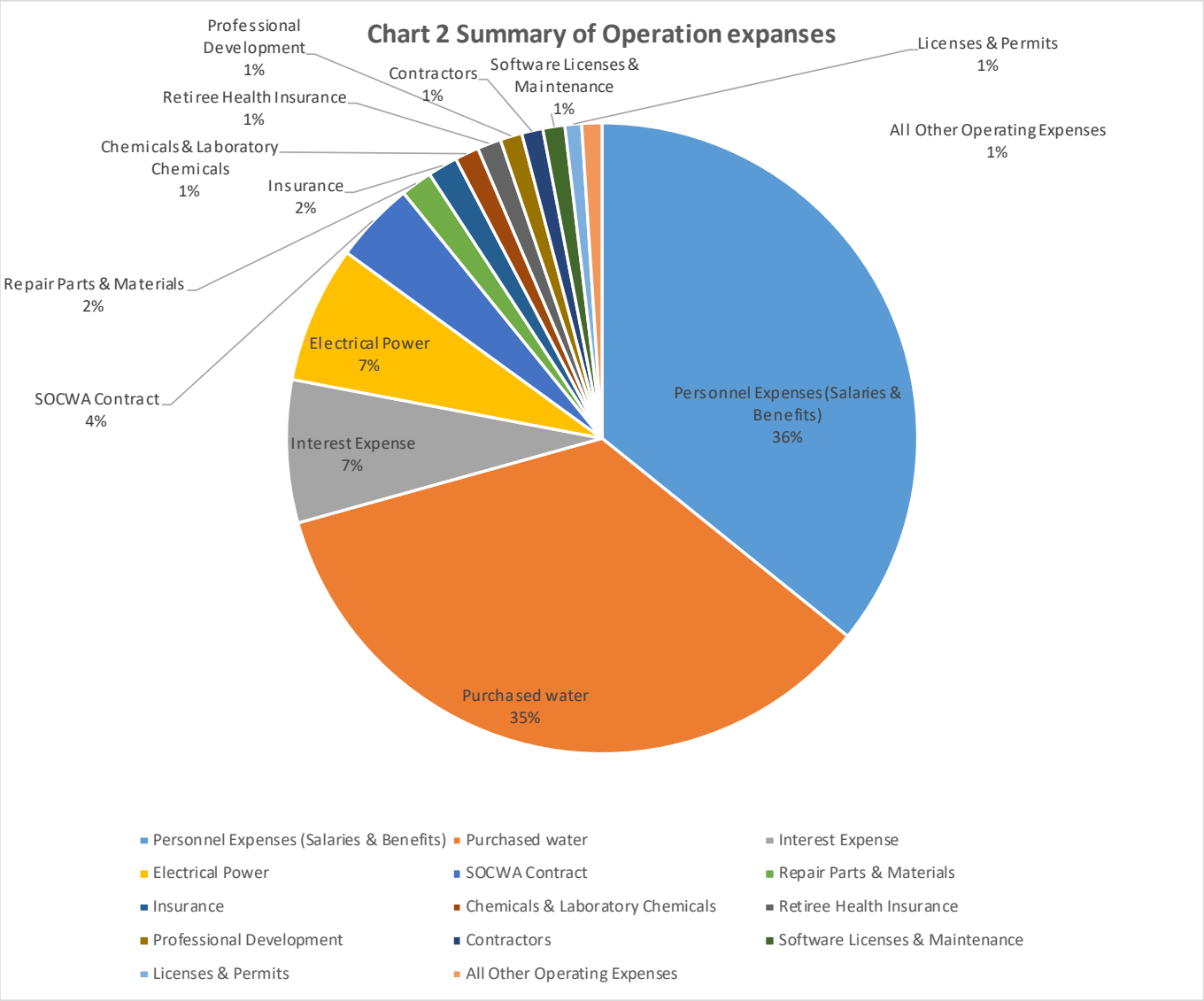
Presented below, in Table 4, are Operating expense categories with totals greater than $200,000 in 2024 – 2025). The largest expenses for the District include Personnel, the purchase of water for sale to customers, Electrical Power, and the SOCWA Contract. Combined, these four expenses equal $23,447,740 and comprise 81.82% of total expenses for the District (excluding Interest Expense and depreciation).

Table 4. Summary of Operating Expenses Categories with Totals Greater than $200,000

	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	2023-2024 Budget	2024-25 Budget	Budget % Change	% of Total 24-25 Cash Outlays
Personnel Expenses (Salaries & Benefits)	8,584,969	8,877,731	9,930,544	10,259,060	10,368,691	1.07%	36.18%
Purchased water	8,559,821	8,641,026	7,960,081	9,096,800	9,856,469	8.35%	34.39%
Electrical Power	1,179,588	1,557,007	1,607,478	1,786,000	2,022,580	13.25%	7.06%
SOCWA Contract	972,231	986,679	969,500	1,100,000	1,200,000	9.09%	4.19%
Repair Parts & Materials	323,763	268,263	334,320	437,810	466,400	6.53%	1.63%
Insurance	335,462	337,816	358,565	378,000	441,722	16.86%	1.54%
Chemicals & Laboratory Chemicals	217,457	247,990	266,397	375,000	355,200	-5.28%	1.24%
Retiree Health Insurance	280,577	218,946	263,362	300,000	350,000	16.67%	1.22%
Professional Development	116,586	179,702	216,285	275,100	324,450	17.94%	1.13%
Contractors	290,050	345,000	96,671	271,500	312,800	15.21%	1.09%
Software Licenses & Maintenance	185,482	227,791	246,589	240,900	322,125	33.72%	1.12%
Licenses & Permits	155,084	169,120	215,114	200,500	245,660	22.52%	0.86%
All Other Operating Expenses	1,559,708	2,138,543	4,145,712	2,303,290	2,392,915	3.89%	8.35%
Total O&M Expenses	22,760,777	24,195,615	26,610,618	27,023,960	28,659,012	6.05%	100.00%

*Excludes Interest, Depreciation, Amortization, and OPEB Charges

Presented in Chart 2 below are the District's operating expenses by major category of expense. Personnel expenses are the largest category, followed by Commodity Purchased for Resale and then Interest expenses.



Projected Statement of Revenues, Expenses, and Changes in Net Position

Portrayed in Table 5 below is a projected Statement of Revenues, Expenses, and Changes in Net Position for the District assuming the 2024 – 2025 Budget occurs as planned. The chart also includes Statements from prior years to serve as a comparison for the proposed 2024 – 2025 Budget.

Table 5. Statement of Revenues, Expenses, and Changes in Net position

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Operating Revenues							
Commodity Supply Charges	$ 11,469,675	$ 11,224,548	$ 9,336,693	$ 11,989,100	$ 11,329,298	$ 12,336,195	2.90%
Service Provision Charges	11,663,599	12,592,762	13,312,692	14,490,200	14,327,354	15,020,423	3.66%
Capital Facilities Charges	3,005,271	3,005,882	3,152,552	4,093,900	3,981,128	5,009,153	22.36%
Charges for Services	120,050	112,110	5,498	125,000	125,000	125,000	0.00%
Other Operating Income	115,173	33,806	299,496	52,200	42,845	51,200	-1.92%
Grants, Rebates, & Reimbursements	336,210	731,069	303,748	371,000	389,595	275,825	-25.65%
Total Operating Revenues	26,709,978	27,700,177	26,410,680	31,121,400	30,195,222	32,817,796	5.45%
Operating Expenses							
General & Administrative	3,411,867	4,503,062	5,363,485	5,262,060	4,801,473	5,732,452	8.94%
Operations & Maintenance	19,590,821	19,309,162	19,696,843	21,461,900	22,491,306	22,576,560	5.19%
Other Operating Expenses	1,896,043	1,978,952	625,767	300,000	148,687	350,000	16.67%
Depreciation & Amortization	4,345,555	4,287,777	4,419,562	4,906,900	4,372,300	4,906,900	0.00%
Capital expenditure below the 25K			1,192,029				
Total Operating Expenses	29,244,286	30,078,953	31,297,686	31,930,860	31,813,765	33,565,912	5.12%
Operating Income/(Loss)	(2,534,308)	(2,378,776)	(4,887,006)	(809,460)	(1,618,544)	(748,116)	-7.58%
Non-operating Revenues							
Property Taxes	1,097,589	1,121,298	1,184,149	1,155,000	1,152,087	1,320,800	14.35%
Investment Earnings	21,511	(259,747)	395,956	250,000	932,982	550,000	120.00%
Capital grant & Investment Earnings			1,017,961				
Other Non-Operating Revenue	279,178	233,605	253,734	249,400	263,937	298,400	19.65%
Interest Expense	(758,339)	(1,072,567)	(1,723,651)	(2,203,700)	(2,203,700)	(2,107,805)	-4.35%
Net Non-Operating Revenues	639,939	22,589	1,128,149	(549,300)	145,306	61,395	-111.18%
Net Income/(Loss) before Capital Contributions	(1,894,369)	(2,356,187)	(3,758,857)	(1,358,760)	(1,473,238)	(686,721)	-49.46%
Capital Contributions							
Donations & Contributions (O&M)	8,708	166,008	64,296	-	43,660	-	-
Capital Contributions			8,854,776				
Total Capital Contributions	8,708	166,008	8,919,072	-	43,660	-	
Change in Net Position	(1,885,661)	(2,190,179)	5,160,216	(1,358,760)	(1,429,578)	(686,721)	
Beginning Net Position	62,739,279	60,853,618	58,663,439	63,823,655	63,823,655	62,394,077	
Ending Net Position	$ 60,853,618	$ 58,663,439	$ 63,823,655	$ 62,464,895	$ 62,394,077	$ 61,707,356	

Operating expenses of $33,565,912 will exceed operating revenues of $32,817,796 by $686,721. This Operating Loss is primarily caused by the significant Depreciation expense the District incurs as a result of the capital infrastructure investments and equipment purchases that occurred in prior years and are needed to effectively provide service to customers. Non-operating expense will exceed Non-operating revenues by $61,395, due to significant interest expense from the Baker Water Treatment Plant loan and the 2022 Revenue Bonds. The

revenues and expenses from operating and non-operating activities will result in a Net Loss before Contributions which will cause a reduction in the District's Net Position for 2024 – 2025; the ending Net Position is projected to decrease to $61,707,356.

Presented below in Table 6 below is a calculation of the net result from operations which provides an analysis of the financial result of operations if all capital investment related activities were removed from the Statement of Revenues, Expenses, and Changes in Net Position.

Table 6. Net Result from Operating Activities

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Income/(Loss) before Contributions	(1,894,369)	(2,356,187)	(3,758,857)	(1,358,760)	(1,473,238)	(686,721)	-49.46%
Remove: Capital Facilities Charges	(3,005,271)	(3,005,882)	(3,152,552)	(4,093,900)	(3,981,128)	(5,009,153)	22.36%
Remove: Capital grant & Investment Earnings			1,017,961				
Remove: Depreciation	4,345,555	4,287,777	4,419,562	4,906,900	4,372,300	4,906,900	0.00%
Remove: Un-capitalized exp below 25,000			1,192,029	-	-	-	
Remove: Interest Expense	758,339	1,072,567	1,723,651	2,203,700	2,203,700	2,107,805	-4.35%
Remove: Restricted Revenue						626,917	
Recycled Net Revenue for Debt Service						425,582	
Net Result from Operations	204,254	(1,725)	1,441,794	1,657,940	1,121,633	2,371,330	
Depreciation - Capital Facilities Charges[(2)]	(1,340,284)	(1,281,895)	(1,267,010)	(813,000)	(391,172)	102,253	

Notes

(1) this calculation is intended to portray the result of operations by removing those activities related to Capital Replacement & Refurbishment activities (Capital Charges, Interest, and Depreciation), and thereby illustrate total net revenues from operational activities.

(2) This calcuation illustrates that the Capital Facilities Charge will not provide sufficient funding to replace the District's capital facilities over time.

Debt Service Coverage

Presented in Table 7 below are debt service coverage calculations by fiscal year based on the District's actual financial results (20/21, 21/22 and 22/23 fiscal years) and annual budgets (fiscal years 23/24 and 24/25). Debt service coverage in 2022-23 was at the lowest point and the interest costs associated with the 2022 Revenue Bonds was the highest. However, the District's Ten-Year financial projection shows that debt service coverage will improve every year after 2022-2023 and will return to coverage levels calculated for fiscal years 2020-2021 and 2021-2022 in the next few years.

Table 7. Debt Service Coverage Calculation

				2023 - 2024		2024 - 2025	
	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	Current Budget	Projected Actual	Proposed Budget	Budget % Change
Commodity Supply Charges	11,469,675	11,224,548	9,336,693	11,989,100	11,329,298	12,336,195	2.90%
Service Provision Charges	11,663,599	12,592,762	13,312,692	14,490,200	14,327,354	15,020,423	3.66%
Capital Maintenance Charges	3,005,271	3,005,882	3,152,552	4,093,900	3,981,128	5,009,153	22.36%
Charges for Services	120,050	112,110	5,498	125,000	125,000	125,000	0.00%
Miscellaneous Operating Revenues	115,173	33,806	299,496	52,200	42,845	51,200	-1.92%
Grants, Rebates, Reimbursements	336,210	731,069	303,748	371,000	389,595	275,825	-25.65%
Property Taxes	1,097,589	1,121,298	1,184,149	1,155,000	1,152,087	1,320,800	14.35%
Investment Earnings	21,511	(259,747)	395,956	250,000	932,982	550,000	120.00%
Other Non-operating Revenue	279,178	233,605	601,897	249,400	263,937	298,400	19.65%
Rate stablization fund			1,135,000				
Total Revenues	28,108,256	28,795,333	29,727,682	32,775,800	32,544,227	34,986,996	6.75%
Operation & Maintenance Expenses							
General & Administrative	3,411,867	4,503,062	5,363,485	5,262,060	4,801,473	5,732,452	8.94%
Operations & Maintenance	19,590,821	19,309,162	19,696,843	21,461,900	22,491,306	22,576,560	5.19%
Other Operating Expenses[1]	554,140	363,486		300,000	148,687	350,000	16.67%
Total Operation & Maintenance Expenses	23,556,828	24,175,710	25,060,328	27,023,960	27,441,465	28,659,012	6.05%
Net Revenues	4,551,428	4,619,623	4,667,354	5,751,840	5,102,762	6,327,984	10.02%
Debt Service Expenses							
North Line SRF Loan	258,145	258,146	258,146	-	-	-	-
Recycled Phase I SRF Loan	1,607,697	1,619,497	1,602,957				-
Baker WTP Loan	677,951	677,951	677,755	677,600	677,600	677,600	0.00%
Recyceld Phase II SRF Loan	409,046	409,046	409,047	-	-	-	-
2022 Revenue Bonds	-	-	1,294,325	3,564,000	3,335,000	3,333,000	-6.48%
Total Debt Service Costs	2,952,839	2,964,640	4,242,230	4,241,600	4,012,600	4,010,600	-5.45%
Debt Service Coverage Ratio	**1.54**	**1.56**	**1.10**	**1.36**	**1.27**	**1.58**	

Notes

(1) Excludes OPEB Charge w hich is a non-cash accounting charge.

2024 – 2025 Budget Authorized Positions

The 2024 – 2025 Budget authorizes 58 Full-Time Equivalent (FTE) employees; three authorized positions have been reduced from 2023-2024 Budget. Table 8 below illustrates the number of authorized FTE employees by Department.

Table 8. Summary of Authorized Positions by Budget Unit

	Actual			Budget	Proposed Budget	Proposed Changes
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2024-2025
Employees by Budget Unit						
Administration	2	2	2	2	2	0
Finance & Risk Management	5	5	5	5	5	0
Human Resources	2	2	2	2	2	0
Technology Services	1	1	1	1	1	0
Community Relations & Conservation	1	1	2	2	2	0
Customer Service	7	7	7	7	7	0
Engineering	5	5	5	5	4	(1)
Operations Support Services	2	2	2	2	2	0
Pumping Operations	8	8	8	8	8	0
Fleet Operations	1	1	1	1	1	0
Transmission & Distribution	9	9	8	8	8	0
Electrical	2	2	2	2	2	0
Treatment Plant	10	10	10	10	9	(1)
Collections & Distribution	5	6	6	6	5	(1)
	60	61	61	61	58	(3)

History of the El Toro Water District

The Founding of El Toro Water District

On August 12, 1959, a group of local landowners gathered around the kitchen table of Raymond Prothero, Sr., at 23572 South Prothero Drive in the community of El Toro (known today as Cornelius Drive in the city of Lake Forest) to discuss their concerns about the water supply. Water for both agricultural and domestic use was pumped from wells, and landowners feared that the existing supply would not support an increased population or an expanded agricultural area. They wanted to find a more reliable, predictable source of water.

One year later, in September 1960, the El Toro Water District (ETWD) was formed as a special district under the laws applicable to California water districts (Sections 34000 Et Seq of the Water Code of the State of California). Governed by a seven-member Board of Directors elected by landowners, the District's charge was to develop and implement policies that would meet the short and long range economic, water resource and environmental goals of the community. While the immediate need was to provide for its customers, ETWD had the wisdom and foresight to consider the greater Orange County area in their planning as well.

At the time of its inception, the total population of the District was only 125 people, and it encompassed 4,750 acres. Of that, 750 acres were devoted to citrus groves and other agricultural uses.

Expansion Includes Aqueduct, Water Recycling Plant and El Toro Reservoir

Shortly after formation, District leadership began to prepare for the anticipated growth of south Orange County. Given the lack of sustainable groundwater, ETWD knew they would have to maintain a critical dependence on imported water that originated hundreds of miles away. ETWD became a constituent agency of the Municipal Water District of Orange County (MWDOC), which entitled the district to receive imported water from the Colorado River and Northern California.

In addition, ETWD joined with a neighboring water district to form the Santiago Aqueduct Commission in order to secure imported water from the Colorado River. The commission obtained permission from the water supplier, Metropolitan Water District of Southern California, to build an aqueduct. The aqueduct would carry water from a pipeline adjacent to Irvine Park to the El Toro community. In 1961, exercising tremendous foresight and good planning, ETWD authorized a bond issue of $1.9 million to finance its share of the construction costs for the aqueduct, a water filtration plant, a 232 mg reservoir, and expansion of the distribution system within the District.

ETWD established itself as a water-recycling pioneer in 1963 with the completion of the Water Recycling Treatment Plant in Laguna Woods. The plant was designed to treat approximately 1.5 million gallons of domestic wastewater each day. A small laboratory was situated inside the plant to analyze wastewater operations.

Leisure World

In 1963, Ross Cortese, president of the Rossmoor Corporation, identified about 3,500 acres of the Moulton Ranch to fulfill his vision to build a retirement community and call it Leisure World. Except for scattered dwellings and barns, the ranch was devoted largely to dry farming and cattle grazing. Those who lived in the homes on the ranch relied on water from deep wells and cesspools for sanitation. If Leisure World was to become a reality, Cortese knew he had to meet the requirements for water and sanitation.

Initially, the ETWD Directors, who were also ranchers, didn't share Cortese's vision for a large residential development. However, by January 1963 the Directors changed their minds when they learned that bond programs to bring MWD water into the area had boosted property tax bills to about $18 for each $100 assessed valuation – far higher than citrus growers or cattle ranchers could afford to pay.

ETWD and Rossmoor agreed that the District would continue to serve the ranchers by providing irrigation service for agriculture. Since ETWD was not interested in providing domestic water service, the Rossmoor Water Company was formed to serve domestic customers.

El Toro Reservoir

In 1967 the construction of the 233-million gallon El Toro Reservoir was completed. The reservoir served many important needs, including meeting high water demand during hot summer days and wildfires, and emergency backup in the event of a pipeline break or other interruptions in water supplies. ETWD established a policy to maintain a 14-day emergency storage reserve to meet customer demands and fire flow requirements.

Constructing a Regional Sewer System

By 1970 the need for a regional sewer system to dispose of treated effluent to the ocean was becoming increasingly evident. Around the same time, the California Clean Water Program was enacted which allowed certain public agencies to be eligible for joint federal-state construction grants.

Laguna Hills Sanitation, Inc., had been disposing of its treated effluent by irrigating the Leisure World golf course and by spraying vacant land. This latter option was becoming increasingly difficult as the amount of vacant land decreased. Unfortunately since Laguna Hills Sanitation, Inc. was a private corporation, it was ineligible for federal-state grants to provide other methods of effluent disposal. In 1972, the District joined five other public water districts and the City of Laguna Beach to form the Aliso Water Management Agency (AWMA). ETWD believed that it was in the best interest of the community to form a partnership to build a sewage sludge treatment and disposal facility.

Approximately three years later ETWD sold $6.14 million of wastewater bonds to finance the District's share of the AWMA Regional Treatment Plant and an ocean outfall system. The AWMA Regional Treatment Plant is located near the Laguna Niguel Regional Park (currently known as the South Orange County Wastewater Authority, SOCWA). The Aliso Creek Ocean Outfall is located in Laguna Beach. The construction of the plant was complete in 1982.

The Transition from Wholesale to Retail

The Laguna Hills Utility Company, the parent company of the operating utilities, Laguna Hills Water Company (LHWC) and Laguna Hills Sanitation, Inc. (LHSI) approached the ETWD Board of Directors in August 1982 with a proposal that ETWD acquire the utility operations of LHWC and LHSI. If approved, this acquisition would transform ETWD from a water wholesaler to a retail water company. The Board of Directors carefully considered the proposal. They concluded that the residents of the District would benefit from this transition, providing that the assets of the utilities could be acquired at a fair price.

On September 12, 1983, ETWD signed the agreement to purchase both Laguna Hills Water Company and Laguna Hills Sanitation, Inc. for a sum of $10.5 million. The amount would be paid with interest, in installments over a 30-year period. After approximately 24 years, ETWD had become a fully integrated water, sewer and recycled water retail operation.

Water Recycling Pioneer

After three decades of service, and multiple expansion projects, portions of the Water Recycling Plant had reached the end of its useful life. ETWD embarked on a reconstruction and replacement project. The new plant was completed in 1998 at a cost of nearly $14,000,000. The reconstruction project renewed the useful life of the plant for another 30 years and brought ETWD into compliance with applicable regulatory and environmental requirements. A new expanded laboratory was now equipped to perform sophisticated analysis of wastewater and drinking water, and the overall capacity of the plant increased to 6 million gallons per day. In 1999 the Water Recycling Plant was recognized by the industry as "Plant of the Year."

Expansion Continues at El Toro Reservoir

In an effort to expand emergency storage in south Orange County and reduce operating cost for ETWD, the District entered into an agreement in 2002 with neighboring water districts for joint use of the El Toro Reservoir. ETWD began a four phase project to expand the El Toro Reservoir capacity to 275 million gallons and enhance the ability of ETWD and neighboring agencies to meet their emergency storage requirements. By increasing the capacity by 52 million gallons, the enlarged reservoir would provide 124.5 million gallons to ETWD, 137.5 million gallons to Santa Margarita Water District and 13 million gallons to Moulton Niguel Water District. The expanded reservoir would serve more than 300,000 customers in the cities of Laguna Woods, Laguna Hills, Lake Forest, Mission Viejo, Aliso Viejo, Laguna Niguel, Dana Point, Rancho Santa Margarita, Ladera Ranch, Las Flores, San Juan Capistrano and San Clemente. The total water surface area expanded to approximately 20 acres.

In addition to laying 4,500 feet of pipeline to allow increased water use by the three partner agencies at once, the reservoir was enlarged to increase supply for regional use. The final phase of the project was to add a new floating cover and liner to the reservoir. The cover continues to assist ETWD in preserving the quality of the imported supply.

Recycled Water Expansion Project

In 2012, the District began a comprehensive multi-phase Recycled Water Expansion Project that significantly increased the amount of recycled water produced for local irrigation. The project was completed in 2016 and greatly expanded the District's ability to produce recycled water. By undertaking this project, the District saves precious imported drinking water (potable) for household consumption and sanitary uses.

The project constructed tertiary treatment facilities at the existing Water Recycling Plant to increase the treatment and delivery of recycled water for irrigation to approximately 1,400 acre feet per year. That's the equivalent of covering the entire footprint of Laguna Woods Village with five inches of water or filling Angel Stadium nineteen times. Simultaneously, the District built a new recycled water distribution system for irrigation. Approximately 100,000 feet or 19 miles of recycled water pipeline was constructed beneath the roadways in portions of Laguna Woods and the northwest corner of Laguna Hills. This new distribution system is completely separate from the drinking water distribution system and used for irrigation only. In 2018 the District completed construction of the Phase II Recycled Water Distribution System Expansion Project which added another 5 miles of recycled water pipeline to serve additional users in the community of Laguna Woods.

The recycled water projects improve the environment by reserving drinking water resources for use inside homes and businesses, and provides environmentally responsible recycled water for outdoor use. The tertiary treatment facilities at the Water Recycling Plant produce a higher quality of treated water, diminish the amount of treated water discharged into the ocean and help to reduce the greenhouse gases that results from pumping imported water into the region.

Location and Service Area Information

The El Toro Water District is located in Southern Orange County, approximately 45 miles south of downtown Los Angeles. The District encompasses the entirety of the City of Laguna Woods, and portions of the Cities of Aliso Viejo, Laguna Hills, Lake Forest, and Mission Viejo. The total service area of the District is approximately 5,430 acres or the equivalent of 8.5 square miles. Interstate 5 bisects the District with approximately half of the District's service area on each side of the Interstate.

Table 11. Comparison of Economic Characteristics of District Residents

	Median Gross Rent*	Median Housing Value*	Per Capita Income*	Median Household Income*
El Toro Water District	$2,060	$430,793	$36,549	$67,605
Orange County	1,929	725,100	$41,514	$90,234
State of California	1,614	523,000	$36,955	$75,235
Change in Economic Characteristics				
ACS Years 2012-2016	$1,753	$321,335	$32,539	$57,156
ACS Years 2013-2017	$1,856	$355,093	$33,513	$60,390
ACS Years 2014-2018	$1,959	$410,421	$34,849	$63,762
ACS Years 2015-2019	$2,060	$430,793	$36,549	$67,605

Source: U.S. Census Bureau American Community Survey 2015-2019 5-Year estimates, Tables B19001, B25063, B25075

*Interpolated value

Population Information

The District serves over 51,800 population.

Educational, Employment, and Income Information The 2015 – 2019 American Community Survey reported that approximately 46% of District residents age 25 or older have attained a bachelors or graduate degree, including approximately 17% who have a graduate or professional degree. This is much higher than California or national averages (34% and 32.2%, respectively). Another 30% of residents who are age 25 or older have attended some college or attained an Associate's degree. An estimated 92% of District residents

Table 12. Education for Residents Age 25 or Older

	El Toro Water District	Orange County	State of California	United States
Less than 9th grade	3.63%	7.90%	9.20%	5.10%
9th to 12th grade, no diploma	4.52%	6.60%	7.50%	6.90%
High school graduate (includes equivalency)	16.07%	17.20%	20.50%	27.00%
Some college, no degree	20.86%	19.90%	21.10%	20.40%
Associate's degree	9.12%	7.70%	7.80%	8.50%
Bachelor's degree	28.82%	26.00%	21.20%	19.80%
Graduate or professional degree	16.97%	14.50%	12.80%	12.40%
Percent high school graduate or higher	91.84%	85.30%	83.40%	88.10%
Percent bachelor's degree or higher	45.79%	40.50%	34.00%	32.20%

Source: U.S. Census Bureau American Community Survey 2015-2019 5-Year estimates, Table B15003

age 25 or older have their high school diploma (or equivalent); this is also much higher than the State or National average (83.4% and 88.1% respectively).

The majority of District residents who are employed work in professional or service occupations, as illustrated in the Occupations table below.

Table 13. Occupations

	El Toro Water District	Orange County	State of California	United States
Agriculture, forestry, fishing and hunting and mining	0.62%	0.75%	2.14%	1.80%
Construction	3.37%	6.61%	6.75%	6.60%
Manufacturing	9.88%	11.19%	8.71%	10.10%
Wholesale Trade	3.07%	3.41%	2.71%	2.60%
Retail Trade	12.62%	10.21%	10.16%	11.20%
Transportation and w arehousing, and utilities	3.12%	3.83%	5.71%	5.40%
Information	2.28%	1.85%	2.84%	2.00%
Finance & insurance, real estate, rental & leasing	11.20%	8.49%	5.83%	6.60%
Professional, scientific, management, administrative	15.50%	14.15%	14.15%	11.60%
Educational services, health care, social assistance	20.93%	20.56%	21.16%	23.10%
Arts, entertainment, recreation, accommodation, food services	9.64%	10.65%	10.31%	9.70%
Other Services, except public administration	5.31%	5.28%	5.04%	4.90%
Public administration	2.46%	3.00%	4.49%	4.60%

Source: U.S. Census Bureau American Community Survey 2015-2019 5-Year estimates, Table C24030

Due to the composition of the population within the District's service area, the workforce participation tends to be much lower than the averages for the County, State, or Nation. This is to be expected since Laguna Woods comprises approximately 40% of the population in the District's service area and almost all of the residents of that community are retired. For the portion of the population in the District's service are who do participate in the workforce, the unemployment rate has averaged slightly higher than the averages for Orange County or the United States but slightly lower than the average for California.

Table 14. Unemployment & Workforce Participation Rate Comparison

	2015 5-Year ACS	2016 5-Year ACS	2017 5-Year ACS	2018 5-Year ACS	2019 5-Year ACS
Unemployment Rate					
El Toro Water District	6.0%	5.1%	4.6%	4.2%	4.0%
Orange County	5.0%	4.4%	3.8%	3.3%	3.0%
State of California	6.2%	5.5%	4.8%	4.2%	3.8%
United States	5.2%	4.7%	4.1%	3.7%	3.4%
Workforce Participation Rate					
El Toro Water District	52.0%	52.2%	52.4%	52.8%	53.1%
Orange County	66.0%	65.9%	65.7%	65.6%	65.6%
State of California	63.6%	63.4%	63.5%	63.5%	63.7%
United States	63.3%	63.5%	63.4%	62.9%	63.4%

Source: U.S. Census Bureau, 5-Year American Community Survey Estimates, Table B23025

The composition of the population within the District service area also impacts the estimated household income within the District's service area. According to the 2015 – 2019 American Community Survey, the median household income in the District was $67,605, $7,630 (10.14%) less than the median for California but $4,762 (7.58%) higher than the national median. An estimated 10.27% of District households have incomes that exceeds $200,000 per year; in comparison only 7.7% of United States households had this level of income in the 2015-2019 American Community Survey.

Table 15. Household Income

	El Toro Water District*	Orange County	State of California	United States
Under $10,000	6.43%	4.20%	4.80%	6.00%
$10,000 to $14,999	3.73%	2.70%	4.10%	4.30%
$15,000 to $24,999	9.14%	5.60%	7.50%	8.90%
$25,000 to $34,999	7.32%	6.00%	7.50%	8.90%
$35,000 to $49,999	11.82%	8.80%	10.50%	1.30%
$50,000 to $74,999	16.42%	14.60%	15.50%	17.20%
$75,000 to $99,999	11.71%	12.80%	12.40%	12.70%
$100,000 to $149,999	14.83%	18.60%	16.60%	15.10%
$150,000 to $199,999	8.33%	11.10%	8.90%	6.80%
$200,000 or more	10.27%	15.50%	12.20%	7.70%
Median Household Income*	$67,605	$90,234	$75,235	$62,843
Mean Household Income*	$84,000	$122,488	$106,916	$88,607
Per Capita Income*	$36,549	$41,514	$36,955	$34,103

Source: U.S. Census Bureau American Community Survey 2015-2019 5-Year estimates, Table B19001

*Interpolated value

Summary of the District

The District supplies residents with potable water, recycled water for irrigation purposes, and provides wastewater collection and treatment services. Information about District and its services can be found below.

General Information	
Date of Original Incorporation	September, 1960
Date of Integration into Retail Utility Operation	September 12, 1983
Form of Government	California Special District

Location and Size Information	
Geographic Location	45 Miles South of Downtown Los Angeles
Total Area of Incorporation	8.5 square miles

Facility Information	
Main Office and Warehouse Complex	1
Wastewater Treatment Plants	1
Water Reservoirs	6
Water Pump Stations	9
Wastewater Lift Stations	11

Enterprise Statistics	
Water System	
Miles of Water Main	170
Service Connections	9,514
Annual Potable Water Imports (MG*)	2,280
Sewer System	
Miles of Wastewater Collection Main	114
Service Connections	9,514
Annual Treated Sewage (MG*)	1,332
Recycled Water System	
Miles of Recycled Water Main	25
Service Connections	276
Annual Recycled Water Production (MG*)	450

*Millions of Ga

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The mission of the Water Enterprise is to deliver potable water to customers for their daily living needs. The Water Enterprise accomplishes this mission by procuring treated water directly from the Municipal Water District of Orange County (MWDOC) through the Allen-McCulloch Pipeline and by partnering with the Irvine Ranch Water District in the Baker Water Treatment Plant which procures untreated water from MWDOC, treats the water, and distributes it to the participating agencies. Potable water is distributed to District customers through significant infrastructure assets that the District has invested in over many years, including the R6 Reservoir, 5 other smaller water reservoirs or storage facilities, 9 water pump stations, 170 miles of water main, and approximately 9,500 water service lines.

Budget Analysis

As depicted in Table 16 below, expenses in the 2024-2025 Budget equal $16,285,990, an increase of $1,257,990, 8.37%, from the $15,028,000 in expenses included in the 2023-2024 Budget. Revenues attributed to the Water System are projected to equal $16,201,038, an increase of $891,806 or 5.83% when compared to the $15,309,231 included in the 2023-2024 Budget. As a result of the revenues and expenses included in the 2024-2025 Budget, the Water System is projected to consume $84,952 of the Board Mandated Cash Reserves in 2024-2025.

Table 16. Water System - Operations & Maintenance Sources & Uses of Cash

	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	2023 - 2024 Budget	2023 - 2024 Projected Actual	2024 - 2025 Proposed Budget	Budget % Change
Sources of Cash							
Operating Revenues							
Commodity Supply Charge (Unrestricted)	8,826,616	8,458,976	7,479,815	9,200,200	8,904,349	9,883,227	7.42%
Service Provision Charge	3,805,648	4,177,676	4,228,718	4,691,400	4,650,859	4,870,491	3.82%
Charges for Services	120,050	112,110	5,498	125,000	125,000	125,000	0.00%
Miscellaneous Operating Income	115,173	33,806	198,825	294,631	19,260	31,000	-89.48%
Grant, Rebates, Reimbursements	22,015	31,814	469	-	6,616	-	-
Non-operating Revenues							
Property Taxes	439,036	448,512	473,659	460,000	460,837	528,320	14.85%
Investment Income	8,604	(92,575)	167,724	100,000	379,641	275,000	175.00%
Miscellaneous Non-operating Income	253,480	229,778	246,020	238,000	263,187	288,000	21.01%
Restricted Reserve Funding	100,000	100,000	200,000	200,000	200,000	200,000	
Total Sources of Cash	13,690,622	13,500,097	13,000,729	15,309,231	15,009,748	16,201,038	5.83%
Uses of Cash							
Operating Expenses							
General & Administrative	1,364,752	1,801,216	2,253,808	2,110,500	1,956,959	2,296,618	8.82%
Operations & Maintenance	12,753,472	12,243,800	11,923,267	12,797,500	13,817,819	13,849,372	8.22%
Other Operating Expenses	112,231	87,578	250,307	120,000	-	140,000	16.67%
Total Uses of Cash	14,230,455	14,132,594	14,427,382	15,028,000	15,774,779	16,285,990	8.37%
Net Change In Cash	(539,833)	(632,497)	(1,426,654)	281,231	(765,031)	(84,952)	

The mission of the Wastewater System is to collect wastewater from District customers through service connections, transmit the wastewater to the Water Recycling Plant using lift stations and sewer mains, treat the wastewater, and then send the treated water to the recycled water treatment facilities or dispose of the remaining effluent or solids. To accomplish this mission, the Wastewater System has acquired and/or constructed significant infrastructure assets, including the Wastewater Treatment Plant, 11 wastewater lift stations, and 114 miles of sewer main. The Wastewater System treats a daily average of 3.7 million gallons of wastewater every day.

Budget Analysis

As depicted in Table 17 below, expenses in the 2024-2025 Budget equal $10,325,214, an increase of $230,634, 2.28%, from the $10,094,580 in expenses included in the 2023-2024 Budget. Revenues attributed to the Wastewater System are projected to equal $10,676,845, an increase of $566,045 or 5.61% when compared to the $10,110,800 included in the 2023-2024 Budget. As a result of the revenues and expenses included in the 2023-2024 Budget, the Wastewater System is projected to contribute $351,630 to the Board Mandated Cash Reserves in 2024-2025.

Table 17. Wastewater System - Operations & Maintenance Sources & Uses of Cash

	2020 - 2021	2021 - 2022	2022 - 2023		2023 - 2024	2024 - 2025	
	Actual	Actual	Actual	Budget	Projected Actual	Proposed Budget	Budget % Change
Sources of Cash							
Operating Revenues							
Service Provision Charge	7,549,752	8,042,358	8,659,162	9,350,200	9,248,336	9,692,850	3.66%
Miscellaneous Operating Income	-	-	78,494	20,200	23,585	20,200	0.00%
Grant, Rebates, Reimbursements	28,617	358,439	-	-	8,486	-	-
Non-operating Revenues							
Property Taxes	570,746	583,086	615,578	600,000	599,087	686,816	14.47%
Investment Income	11,185	(145,041)	197,333	130,000	477,191	275,000	111.54%
Miscellaneous Non-operating Income	22,267	3,317	6,848	10,400	750	10,400	0.00%
Total Sources of Cash	8,182,567	8,842,159	9,557,414	10,110,800	10,357,435	10,685,266	5.68%
Uses of Cash							
Operating Expenses							
General & Administrative	1,774,164	2,341,598	2,659,052	2,729,480	2,462,073	2,977,629	9.09%
Operations & Maintenance	6,230,165	6,421,600	6,458,075	7,209,100	7,036,881	7,165,585	-0.60%
Other Operating Expenses	145,900	113,852	-	156,000	127,629	182,000	16.67%
Total Uses of Cash	8,150,229	8,877,050	9,117,127	10,094,580	9,626,583	10,325,214	2.28%
Net Change In Cash	32,338	(34,891)	440,287	16,220	730,852	360,051	

RECYCLED WATER SYSTEM

The mission of the Recycled Water System is to further treat pre-treated wastewater from the wastewater treatment process until the water meets regulatory standards so that it can be used for irrigation purposes and then to distribute the recycled water to customers to use in irrigation. To accomplish this mission, the Recycled Water System has acquired and/or constructed significant infrastructure assets, including Tertiary Water Treatment facilities and 25 miles of recycled water distribution main. The Recycled Water System produces a daily average of 1.3 million gallons every day.

Budget Analysis

As depicted in Table 18 below, expenses in the 2024-2025 Budget equal $2,047,808, an increase of $146,428, 7.70%, from the $1,901,380 in expenses included in the 2023-2024 Budget. Revenues attributed to the Recycled System are projected to equal $2,473,043, a decrease of $425,557 or 14.68% when compared to the $2,898,600 included in the 2023-2024 Budget. As a result of the revenues and expenses included in the 2024-2025 Budget, the Recycled System is projected to generate net cash of $425,582. However, the Recycled System transfers all of the net cash generated from its operations to the Capital Improvement Fund to pay the debt associated with the original construction of the tertiary treatment facilities.

Table 18. Recycled Water System - Operations & Maintenance Sources & Uses of Cash

	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	2023 - 2024 Budget	2023 - 2024 Projected Actual	2024 - 2025 Proposed Budget	Budget % Change
Sources of Cash							
Operating Revenues							
Commodity Supply Charge	1,898,113	2,012,144	1,189,709	1,962,000	1,581,030	1,626,051	-17.12%
Service Provision Charge	308,199	372,728	424,813	448,600	428,160	465,503	3.77%
Miscellaneous Operating Income	-	-	15,900	1,000	-	-	-100.00%
Grant, Rebates, Reimbursements	285,578	340,816	303,279	371,000	374,494	275,825	-25.65%
Non-operating Revenues							
Property Taxes	87,807	89,700	94,912	95,000	92,163	105,664	11.23%
Investment Income	1,722	(22,131)	30,899	20,000	76,149	-	-100.00%
Miscellaneous Non-operating Income	3,431	510	866	1,000	-	-	-100.00%
Total Sources of Cash	2,584,850	2,793,767	2,060,377	2,898,600	2,551,995	2,473,043	-14.68%
Uses of Cash							
Operating Expenses							
General & Administrative	272,950	360,248	450,624	422,080	382,440	458,205	8.56%
Operations & Maintenance	607,184	643,762	1,315,501	1,455,300	1,636,605	1,561,603	7.30%
Other Operating Expenses	22,446	17,516	-	24,000	21,058	28,000	16.67%
Total Uses of Cash	902,580	1,021,526	1,766,125	1,901,380	2,040,103	2,047,808	7.70%
Transfer Out	(1,096,018)	(1,682,270)	(1,772,241)	(969,150)	(555,725)	(425,582)	
Net Change In Cash	586,252	89,971	(1,477,989)	28,070	(43,833)	(346)	

Personnel Analysis

The District's mission is to provide high quality utility services to its customers and one of the foundations of this mission is having a sufficient number of high-quality staff members to operate the District's infrastructure and provide service to customers. This section includes an analysis of the District's personnel costs, which are a primary component of the District's fiscal operations because they comprise the largest expense for the District.

Number of Employees

Personnel costs are a result of the total number of District employees. The District converts the number of full-time and part-time employees to full-time equivalency to accurately reflect the number of employees on the payroll. Full-time equivalency is equal to 2,080 hours for all employees.

The 2024-2025 Compensation Plan authorizes a total of 58 full-time positions, 5 elected officials, and no intern or temporary part-time position. Total staffing numbers decrease by 3 staff from the 2023-2024 budget.

The total budgeted cost for the District's workforce in 2024-2025 is budgeted at $10,569,334 with salary expenses of $7,699,826 comprising 72.85% of total costs and benefits of $2,869,508 comprising the remaining 27.15% of costs. Fringe benefit cost increases were 8.86% in 2024-2025 due to health insurance and retirement benefit cost increases.

Presented below are the total personnel expenses for the 2024-2025 Fiscal Year.

Table 1. Changes in Other Salary Expenses and Benefit Expenses

	FY 2024 Budget	FY 2025 Budget	Delta	% Change	% of Total Personnel Costs
Salaries					
Regular Salaries	7,052,336	7,001,277	(51,059)	-0.72%	66.24%
Ovetime and On-Call Salaries	302,700	372,360	69,660	23.01%	3.52%
One-time Salary Payments[1]	188,402	220,769	32,367	17.18%	2.09%
Stipends & Allowances[2]	79,800	105,420	25,620	32.11%	1.00%
Total Salaries	7,623,238	7,699,826	76,588	1.00%	72.85%
Benefits					
Health Insurance[3]	1,216,944	1,266,729	49,785	4.09%	11.98%
Other Insurance[4]	195,584	215,019	19,435	9.94%	2.03%
Workers Compensation Insurance	129,100	167,772			
Retirement Benefits[5]	1,094,400	1,219,988	125,588	11.48%	11.54%
Total Benefits	2,636,027	2,869,508	233,481	8.86%	27.15%
Total Personnel Expenses	10,259,265	10,569,334	310,069	3.02%	

Notes

(1) Includes Vacation Time Payouts and Top of Range one-time payments

(2) Includes Automobile Allowances, Cell Phone Stipends, and Wellness Stipends

(3) Includes employer paid Health, Dental, and Vision Insurance Premiums as well as Health Savings Account contributions

(4) Includes employer paid Life Insurance, Long-term Care and Disability Insurance, and Workers Compensation

(5) Includes employer contributions to the 401k plan, employer matches to the 401k/457b Plans, and Medicare

(6) The total personnel cost of $200,644 is allocated to Capital projects and $10,368,691 to Operations

The table 2 presented below provides further analysis of the change in Regular Salary Costs. The base salary for 2024-2025 is $7,001,277, 66.24% of total personnel costs. Merit salary increases for employees and keeping the three positions open in 2024-2025 add $325,283 to budgeted salaries in 2024-2025, this assumes a CPI component to the merit increase of 3.5% and a performance adjustment component of 3%.

Table 2. Changes in Other Salary Expenses and Benefit Expenses

	FY 2024 Budget	FY 2025 Budget	Delta	% Change	% of Total Personnel Costs
Analysis of Changes in Personnel Costs					
Regular Salary Changes					
Base Salary *(prior year ending salaries)*	6,500,306	7,052,336	552,030	8.49%	66.72%
Merit Increase(1)	545,171	325,283	(219,888)	-40.33%	3.08%
Additional Positions		(317,481)	(317,481)	N/A	-3.00%
Net Changes from Original Budget(2)	-	(53,818)	(53,818)	N/A	-0.51%
Additional Salary Adjustments	6,859	(5,043)	(11,902)	100.00%	-0.05%
Regular Salaries Total	7,052,336	7,001,277	(51,059)	-0.72%	66.24%

Notes

(1) Salary increases occur on July 1so the base salary is increased for the entire year.

(2) The District is not hiring for three open positions that reduced actual salery expense for 2024-25

The table below summarizes changes in additional salary related payments as budgeted for 2024-2025 and change in benefit expenses budgeted for 2024-2025.

Table 3. Changes in Other Salary Expenses and Benefit Expenses

	FY 2024 Budget	FY 2025 Budget	Delta	% Change	% of Total Personnel Costs
Other Salary Changes					
Overtime Expenses	230,000	285,000	55,000	23.91%	2.70%
On-Call Expenses	72,700	87,360	14,660	20.17%	0.83%
Top of Range Payouts	76,417	95,947	19,530	25.56%	0.91%
Vacation Payouts	111,985	124,822	12,837	11.46%	1.18%
Car Allowance	43,200	45,000	1,800	4.17%	0.43%
Cell Phone Allowances	12,672	11,520	(1,152)	-9.09%	0.11%
Wellness Stipends[1]	18,928	17,400	(1,528)	N/A	0.16%
Class A / B Drivers Licenses		13,000			
Employee Education / Cert / Service Awar	5,000	18,500	13,500	N/A	0.18%
Other Salary Changes	570,902	698,549	114,647	20.08%	6.61%
Benefit Changes					
Health Insurance	1,138,900	1,149,297	10,397	0.91%	10.87%
HSA Contributions	4,500	16,000	11,500	255.56%	0.15%
Dental Insurance	60,260	89,334	29,074	48.25%	0.85%
Vision Insurance	13,283	12,098	(1,185)	-8.92%	0.11%
Life Insurance	36,432	41,151	4,719	12.95%	0.39%
Long Term Care Insurance	17,900	8,960	(8,940)	-49.94%	0.08%
Disability Insurance	33,300	52,730	19,430	58.35%	0.50%
Employee Assistance Program		1,276	1,276	N/A	0.01%
Workers Compensation	129,100	167,772	38,672	29.95%	1.59%
State Unemployment Insurance	3,000	3,000	-	N/A	0.03%
401k/457b Contributions	1,094,400	1,219,988	125,588	11.48%	11.54%
Medicare Contributions	104,952	107,902	2,951	2.81%	1.02%
Other Salary Changes	2,636,027	2,869,508	233,481	8.86%	27.15%

Presented below are the positions authorized in the 2024 – 2025 Budget, organized by functional area.

Table 4 Position Organization Chart

Department	Positions
Administration	
General Manager	1
Executive Assistant to Board & General Manager	1
Total	2
Finance & Risk Management	
Chief Financial Officer	1
Accounting Supervisor	1
Senior Accountant	1
Accounting Technician	1
Purchasing Agent	1
Total	5
Technology Services	
Information Technology Manager	1
Total	1
Human Resources	
Human Resources Director	1
Office Assistant	1
Total	2
Community Relations & Conservation	
Public Affairs Manager	1
Water Use Efficiency Analyst	1
Total	2
Customer Service	
Customer Service / Billing Supervisor	1
Customer Service Office Representative I	2
CS Office Rep I / Human Resource Assistant	1
Crew Chief	1
Customer Service Field Representative II	1
Customer Service Field Representative I	1
Total	7
Engineering	
Engineering Director	1
Senior Engineer	1
Inspector	1
Cross Connection Control Program Supervisor	1
Total	4
Total Positions	58

Department	Positions
Operations Support Services	
Operations Superintendent	1
Compliance Program Coordinator	1
Total	2
Pumping Operations	
Foreman	1
Crew Chief	1
Maintenance Worker III	1
Maintenance Worker II	-
Maintenance Worker I	5
Total	8
Fleet Operations	
Senior Mechanic	1
Total	1
Transmission & Distribution	
Foreman	1
Crew Chief	2
Maintenance Worker III	2
Maintenance Worker II	0
Maintenance Worker I	3
Total	8
Electrical	
Electrical Systems/SCADA Supervisor	1
Electrical Systems / SCADA Technician II	1
Total	2
Treatment Plant	
Chief Plant Operator	1
Truck Driver	2
Waste Water Operator III	4
Waste Water Operator II	-
Waste Water Operator I	-
Lab Supervisor	1
Lab Technician II	1
Total	9
Collections & Distribution Crew	
Foreman	1
Crew Chief	1
Collection Maintenance Worker II	1
Collections Maintenance Worker I	2
Total	5

The District's Compensation Plan includes a salary grade schedule for both non-exempt and exempt employees. Presented below as well as on the following page is the Compensation Plan for non-exempt employees for the 2024 - 2025 Budget. Salary grades that do not have any positions assigned to them are not displayed.

Table 5 Compensation Plan - Salary Range Schedule - Non-Exempt
Effective Fiscal Year 2024/2025

	FY 2023/2024 Monthly Salary		FY 2024/2025 Monthly Salary		Percent of
	Minimum	Maximum	Minimum	Maximum	Increase
Salary Grade 1 Intern	$3,081	$4,641	$3,167	$4,298	2.8%
Salary Grade 2	$3,737	$5,083	$3,841	$5,226	2.8%
Salary Grade 3	$4,188	$5,696	$4,305	$5,854	2.8%
Salary Grade 4	$4,311	$5,865	$4,432	$6,029	2.8%
Salary Grade 5 Office Assistant Customer Service Office Representative I Billing Clerk I	$4,443	$6,040	$4,567	$6,210	2.8%
Salary Grade 6 Customer Service Field Representative I	$4,577	$6,223	$4,705	$6,397	2.8%
Salary Grade 7	$4,709	$6,408	$4,841	$6,587	2.8%
Salary Grade 8 Customer Service Office Representative II Administrative Assistant Billing Clerk II	$4,855	$6,602	$4,990	$6,786	2.8%
Salary Grade 9 Customer Service Office Representative Senior Billing Clerk Senior	$4,997	$6,800	$5137	$6,990	2.8%
Salary Grade 10 Customer Service Field Representative II Collection Maintenance Worker I Maintenance Worker I Operator in Training	$5,167	$7,002	$5,311	$7,198	2.8%
Salary Grade 11 Billing Specialist	$5,306	$7,214	$5,454	$7,415	2.8%
Salary Grade 12 Laboratory Technician I	$5,463	$7,432	$5,617	$7,639	2.8%
Salary Grade 13 Mechanic Wastewater Plant Operator I	$5,627	$7,652	$5,784	$7,865	2.8%
Salary Grade 14 Administrative Assistant Senior Accountant / Insurance Administrator	$5,795	$7,884	$5,958	$8,105	2.8%
Salary Grade 15 Collections Worker II Maintenance Worker II	$5,970	$8,120	$6,137	$8,347	2.8%
Salary Grade 16 Customer Service Field Representative III Compliance Regulatory Coordinator I	$6,149	$8,361	$6,320	$8,596	2.8%
Salary Grade 17 Laboratory Technician II	$6,334	$8,614	$6,510	$8,854	2.8%

Table 5 Compensation Plan - Salary Range Schedule - Non-Exempt Effective Fiscal Year 2024/2025	FY 2023/2024 Monthly Salary		FY 2024/2025 Monthly Salary		
	Minimum	Maximum	Minimum	Maximum	Percent of Increase
Salary Grade 18	$6,521	$8,872	$6,705	$9,121	2.8%
Senior Accountant / Payroll					
Tractor - Trailer - Tanker Driver					
Waste Water Plant Operator II					
Salary Grade 19	$6,728	$9,148	$6,915	$9,404	2.8%
Inspector					
Engineering Associate					
Maintenance Worker III					
Collection Maintenance Worker III					
Salary Grade 20	$6,928	$9,422	$7,121	$9,684	2.8%
Compliance Regulatory Coordinator II					
Salary Grade 21	$7,134	$9,701	$7,334	$9,974	2.8%
Executive Assistant to General Manager & Board					
Senior Mechanic					
Salary Grade 22	$7,349	$9,995	$7,556	$10,275	2.8%
Accounting Supervisor					
Supervisor Billing/Office Customer Service					
Recycled Water Coordinator					
Electrical Systems / SCADA Technician III					
Purchasing Agent / Inventory Control					
Salary Grade 23	$7,572	$10,297	$7,784	$10,584	2.8%
Laboratory Technician III					
Wastewater Plant Operator III					
Water Use Efficiency Analyst					
Salary Grade 24	$7,799	$10,604	$8,017	$10,901	2.8%
Cross Connection Control Program Supervisor					
Salary Grade 25	$7,999	$10,921	$8,223	$11,227	2.8%
Crew Chief					
Public Relations Supervisor					
Salary Grade 26	$8,273	$11,252	$8,506	$11,566	2.8%
Accounting Manager / Auditor					
Industrial Waste Inspector					
Compliance Regulatory Coordinator III					
Salary Grade 27	$8,521	$11,586	$8,759	$11,910	2.8%
Laboratory Supervisor					
Salary Grade 28	$8,774	$11,931	$9,019	$12,265	2.8%
Foreman					
Salary Grade 29	$9,037	$12,290	$9,290	$12,634	2.8%
Salary Grade 30	$9,298	$12,645	$9,559	$13,000	2.8%
SCADA Supervisor					
Salary Grade 31	$9,577	$13,029	$9,846	$13,392	2.8%
Salary Grade 32	$9,865	$13,416	$10,141	$13,792	2.8%
Salary Grade 33	$10,162	$13,819	$10,445	$14,205	2.8%
Salary Grade 34	$10,467	$14,233	$10,759	$14,631	2.8%
Waste Water Chief Plant Operator					

Table 5 Compensation Plan - Salary Range Schedule - Exempt
Effective Fiscal Year 2024/2025

	FY 2023/2024 Monthly Salary		FY 2024/2025 Monthly Salary		Percent of
	Minimum	Maximum	Minimum	Maximum	Increase
Salary Grade 41E Public Affairs Manager	$8,771	$12,280	$9,017	$12,624	2.8%
Salary Grade 44E Senior Engineer	$10,446	$14,626	$10,738	$15,036	2.8%
Salary Grade 45E Operations Superintendent Salary	$11,073	$15,504	$11,383	$15,937	2.8%
Grade 46E Information Technology Manager	$11,737	$16,434	$12,065	$16,894	2.8%
Salary Grade 48E Director of Engineering Director Human Resources	$13,188	$18,465	$13,557	$18,982	2.8%
Salary Grade 49E Chief Financial Officer	$13,979	$19,574	$14,370	$20,122	2.8%

CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM

The District has significant infrastructure and capital assets that periodically need to be replaced or refurbished in order to be able to continue to provide services to the District's customers.

Objectives
- Replace and refurbish District owned facilities to improve the ability of staff to provide services, including the Main Office Building, the Warehouse Complex, the Wastewater Recycling Plant (WRP), and various other buildings and properties owned by the District.
- Maintain high quality water pump stations, reservoirs, and water mains, sewer lift stations and sewer mains, and recycled water facilities and mains by reconstructing or rehabilitating these infrastructure assets when necessary. Continuously improve the infrastructure in the District to respond to changing needs, challenges, and regulations.
- Purchase new and replacement vehicles and equipment to support and enhance District operations.

Overview

The District is committed to the replacement and refurbishment of its facilities, infrastructure, and capital assets and has developed a multi-year Capital Replacement and Refurbishment program to guide the replacement and refurbishment process. The Program is updated in conjunction with the annual budget to reflect changing conditions and resources. One of the primary obligations of the District is the construction, reconstruction, rehabilitation, and maintenance of its facilities, infrastructure, and capital assets. The financial health of the District is greatly impacted by its ability to adequately maintain its capital assets and avoid the substantial financial and service impacts that results from deteriorated capital assets. The types of capital improvements undertaken by the District include:

- **Water System Projects** - The maintenance and improvement of the District's water system is an important component of the capital program. The capacity, structural integrity, and general condition of the reservoirs, storage facilities, pumps, water mains, and service lines are critical to the District's continued ability to supply its customers with clean, high quality drinking water and to provide adequate pressure for daily demands and fire suppression. Water system improvements include the construction or rehabilitation of any part of the water distribution system, including water mains, water main valves, water service lines, reservoirs, and storage facilities.

  The 2024-2025 Capital Budget includes replacing pumps and motors at Cherry Booster Station. In addition, multiple other capital projects for the Water System are budgeted for 2024-2025 including the R-4 Reservoir Mixing System replacement, the Mouton/El Toro Cathodic Protection Study, and several Human-Machine Interface (HMI) and Programmable Logic Controller (PLC) replacements.

- **Wastewater Treatment System Projects** - The maintenance and improvement of the District's wastewater treatment system is another important component of the overall capital program. The Wastewater system collects wastewater from residences and businesses, utilizes mechanical and biological processes to metabolize and remove pollutants, and then discharges the effluent (the cleaned water) to either the Tertiary Treatment Plant (for recycled water) or to the Ocean Outfall pipeline where it is transported to the Pacific Ocean. The solids that remain after the treatment process are transported via truck to the South Orange County Wastewater Authority (SOCWA) for final treatment and disposal. Sanitary Sewer System Improvements include the construction, reconstruction, or rehabilitation of any part of the wastewater collection and treatment system, including sanitary sewer mains, sanitary sewer pumps, lift stations, and the WRP.

  The 2024-2025 budget includes several significant projects, including final design for rehabilitation of the Aliso Creek Pump Station, the rehabilitation of the Grit Chamber and the rehabilitation of the Headworks and Secondary Clarifier No. 1 at the WRP. In addition, multiple other capital projects for the Wastewater System are budgeted for 2024-2025 including the Westline Main Switchboard Replacement, Freeway Electrical Equipment Replacement, Westline Generator Replacement, and several Human-Machine Interface (HMI) and Programmable Logic Controller (PLC) replacements.

- **Recycled Water System Projects** - The maintenance and improvement of the District's recycled water system is the final component of the capital program. The capacity, structural integrity, and general condition of the tertiary treatment facility, recycled water mains, and service lines are critical to the District's continued ability to supply its customers with high quality recycled water for irrigation purposes. Recycled water system improvements include the construction or rehabilitation of any part of the distribution system, including mains, main valves, and service lines.

  The 2024-2025 budget includes additional tertiary filter disks and tertiary disinfection system optimization. Any additional revenue beyond these expenditures generated from the capital rate charges is being used to pay the debt service costs.

Ten Year Capital Replacement & Refurbishment Program
F.Y. 2024/25 - 2033/34

NO.	DESCRIPTION	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	TOTAL	WATER	SEWER
	Source of Supply / Storage Projects													
1	JRWSS Capital Budget	18,618	27,555	9,279	2,087	4,911	12,490	12,490	12,490	12,490	12,490	124,900	124,900	
2	Baker WTP Replacement Fund	56,200	56,200	56,200	56,200	56,200	56,200	56,200	56,200	56,200	56,200	562,000	562,000	
3	Direct Potable Reuse Feasibility Study	454,000										454,000	454,000	
3	Direct Potable Reuse Feasibility Study (Assumed Grant Funding)	(454,000)										(454,000)	(454,000)	
	Total Source of Supply / Storage Projects	74,818	83,755	65,479	58,287	61,111	68,690	68,690	68,690	68,690	68,690	686,900	686,900	0
	Pumping (Water) Projects													
1	Water Stations PLC Upgrade to Control Logix	25,000	26,000	27,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	288,000	288,000	
1	Water Stations PLC Upgrade to Control Logix (Carryover)	(25,000)	(26,000)	(25,734)								(76,734)	(76,734)	
2	R-6 Seepage Recovery Control Panel Rehabilitation									25,000		25,000	25,000	
3	R-4 Reservoir Interior Recoating							155,700	1,557,000			1,712,700	1,712,700	
4	R-5 Interior Recoating and Exterior Repair										146,900	146,900	146,900	
5	R-2 Exterior Recoating									29,200	292,000	321,200	321,200	
6	P-3 Pump Station Stationary Generator Project		75,500	755,000								830,500	830,500	
6	P-3 Pump Station Stationary Generator Project (Carryover)		(75,500)	(188,750)								(264,250)	(264,250)	
6	P-3 Pump Station Stationary Generator Project (Grant Funding)			(566,250)								(566,250)	(566,250)	
7	R-6 Reservoir Floating Cover and Liner Replacement Project										1,033,171	1,033,171	1,033,171	
8	R-6 Outlet Flow Meter Backup	9,000										9,000	9,000	
9	South Orange County Turnout Project	75,000				1,000,000	1,000,000	375,000				2,450,000	2,450,000	
10	Moulton Parkway/El Toro Road Cathodic Protection	145,000										145,000	145,000	
10	Moulton Parkway/El Toro Road Cathodic Protection (Carryover)	(81,340)										(81,340)	(81,340)	
11	Fire Flow Improvements at San Amadeo and Via Carrizo								90,000			90,000	90,000	
12	Fire Flow Improvements at Avenida Sevilla					48,500	449,100					497,600	497,600	
13	Fire Flow Improvements at Ronda Mendoza					127,000						127,000	127,000	
14	Fire Flow Improvements at Calle Sonora and Via Campo Verde										146,700	146,700	146,700	
	Total Pumping (Water) Projects	147,660	0	1,266	27,000	1,203,500	1,478,100	560,700	1,678,000	86,200	1,651,771	6,834,197	6,834,197	0
	Pumping (Water) Equipment													
1	Cherry Booster Station Pump & Motor Replacement	167,000										167,000	167,000	
2	Shenandoah Booster Station Pump & Motor Replacement		185,000									185,000	185,000	
3	New Handheld Meter Readers	14,500										14,500	14,500	
4	Water Station HMI Replacement	10,000	10,000	11,000	11,000	11,000	12,000	12,000	12,000	13,000	13,000	115,000	115,000	
4	Water Station HMI Replacement (Carryover)	(9,962)										(9,962)	(9,962)	
5	R-6 Chlorine and Ammonia Injection System Replacement			282,000								282,000	282,000	
6	Main PR Generator Replacement								62,000			62,000	62,000	
7	P-3 Motor Replacement			16,000								16,000	16,000	
8	R-5 Reservoir Mixing System Replacement					82,000						82,000	82,000	
9	R-4 Reservoir Mixing System Replacement	70,000										70,000	70,000	
10	R-1/R-2 Reservoir Mixing System Replacement										205,000	205,000	205,000	
11	Spare Tidal Wave Mixer			20,000								20,000	20,000	
12	PRV-19 Rehabilitation					22,000						22,000	22,000	
13	JTM PRV Inlet Isolation Valve Replacement			13,000								13,000	13,000	
14	Alscot Booster Station Electrical Equipment Replacement				90,250	270,750						361,000	361,000	
15	Spartan Booster Station Main Switchboard Retrofit					31,000						31,000	31,000	
16	P-1 Pump and Motor Replacement					148,000						148,000	148,000	
	Total Pumping (Water) Equipment	251,538	195,000	342,000	101,250	564,750	12,000	12,000	74,000	13,000	218,000	1,783,538	1,783,538	0

Ten Year Capital Replacement & Refurbishment Program
F.Y. 2024/25 - 2033/34

NO.	DESCRIPTION	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2023/34	TOTAL	WATER	SEWER
	Pumping (Sanitation) Projects													
1	Sewer Stations PLC Upgrade to Control Logix	25,000	26,000	27,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	288,000		288,000
1	Sewer Stations PLC Upgrade to Control Logix (Carryover)	(25,000)	(26,000)	(27,000)	(27,000)	(13,295)						(118,295)		(118,295)
2	Aliso Creek Pump Station Rehabilitation Project	600,000		4,621,000	3,173,000							8,394,000		8,394,000
2	Aliso Creek Pump Station Rehabilitation Project (Revenue Bond)			(2,000,000)								(2,000,000)		(2,000,000)
2	Aliso Creek Pump Station Rehabilitation Project (Carryover)	(600,000)		(696,404)								(1,296,404)		(1,296,404)
3	4920 Lift Station Rehabilitation			12,000								12,000		12,000
4	Delta Lift Station Coating Rehabilitation						14,000					14,000		14,000
5	Delta Lift Station Wall Repair						58,000					58,000		58,000
6	Freeway Lift Station Coating Rehabilitation			42,000								42,000		42,000
7	Westline Lift Station Coating Rehabilitation										46,000	46,000		46,000
8	Mathis Lift Station Coating Rehabilitation										98,000	98,000		98,000
9	Veeh Lift Station Coating Rehabilitation										28,000	28,000		28,000
10	Westline Techite Replacement									160,200	1,602,000	1,762,200		1,762,200
10	Westline Techite Replacement (Grant Funding)										(1,321,650)	(1,321,650)		(1,321,650)
11	Northline Pipeline Repair Project		90,000									90,000		90,000
12	Northline Odor Control Project					126,000						126,000		126,000
	Total Pumping (Sanitation) Projects	0	90,000	1,978,596	3,173,000	140,705	101,000	30,000	31,000	192,200	485,350	6,221,851	0	6,221,851
	Pumping (Sanitation) Equipment													
1	Westline Main Switchboard Replacement	37,250	111,750									149,000		149,000
2	Freeway Electrical Equipment Replacement	263,362										263,362		263,362
2	Freeway Electrical Equipment Replacement (Carryover)	(110,000)										(110,000)		(110,000)
3	Veeh ATS and Main Switchboard Replacement			156,000								156,000		156,000
4	Veeh Pump Replacement					36,000						36,000		36,000
5	Westline Generator Unit 213 Replacement	267,000										267,000		267,000
6	Veeh Generator Unit 209 Replacement					262,000						262,000		262,000
7	Mathis Generator Unit 211 Replacement					156,800						156,800		156,800
8	La Paz Stabilization and Rehabilitation										340,000	340,000		340,000
8	La Paz Stabilization (Carryover)										(100,000)	(100,000)		(100,000)
9	4920 Electrical Equipment Replacement										120,000	120,000		120,000
10	Sewer Station HMI Replacement	10,000	10,000	11,000	11,000	11,000	12,000	12,000	12,000	13,000	13,000	115,000		115,000
10	Sewer Station HMI Replacement (Carryover)	(3,807)										(3,807)		(3,807)
	Total Pumping (Sanitation) Equipment	463,806	121,750	167,000	11,000	465,800	12,000	12,000	12,000	13,000	373,000	1,651,356	0	1,651,356
	Treatment (Sanitation) Projects													
1	Headworks and Secondary Clarifier No. 1 Rehabilitation	1,974,000	5,430,000	2,468,000								9,872,000		9,872,000
1	Headworks and Secondary Clarifier No. 1 Rehabilitation (Revenue Bond)	(1,974,000)	(2,531,878)	(741,707)								(5,247,585)		(5,247,585)
1	Headworks and Secondary Clarifier No. 1 Rehabilitation (Accumulated Capital)		(233,074)									(233,074)		(233,074)
2	Secondary Clarifier No. 3 and 4 Rehabilitation							823,000	2,119,000	5,675,000	899,000	9,516,000		9,516,000
2	Secondary Clarifier No. 3 and 4 Rehabilitation (Carryover)							(80,000)				(80,000)		(80,000)
3	RAS Pump Station Rehabilitation	24,800	248,000									272,800		272,800
4	RAS Pump and Motor Replacement						146,000					146,000		146,000
5	Grit Chamber Rehabilitation	1,046,502										1,046,502		1,046,502
5	Grit Chamber Rehabilitation (Carryover)	(148,599)										(148,599)		(148,599)
5	Grit Chamber Rehabilitation (Accumulated Capital)	(897,903)										(897,903)		(897,903)
6	OOPS MCC and Valve Rehabilitation Project	191,000										191,000		191,000
7	Holding Pond West Side Drainage					199,000	307,000					506,000		506,000
7	Holding Pond West Side Drainage (Carryover)					(68,250)						(68,250)		(68,250)
8	WRP Site Seal Coat										159,000	159,000		159,000
9	EPS Electrical Equipment Abandonment										65,000	65,000		65,000
10	Administration Building Pump Station Rehabilitation								364,000			364,000		364,000
11	Warehouse Roof Repair										65,000	65,000		65,000
12	Air Gap Pump Station Abandonment									63,000		63,000		63,000
13	Fine Screen Rehabilitation Project						667,300	4,124,000	2,832,000			7,623,300		7,623,300
14	Standby Blower Replacement	631,000										631,000		631,000
14	Standby Blower Replacement (Accumulated Capital)	(349,375)										(349,375)		(349,375)
	Total Treatment (Sanitation) Projects	497,425	2,913,048	1,726,293	0	130,750	1,120,300	4,867,000	5,315,000	5,738,000	1,188,000	23,495,816	0	23,495,816

Ten Year Capital Replacement & Refurbishment Program
F.Y. 2024/25 - 2033/34

ITEM	DESCRIPTION	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2023/34	TOTAL	WATER	SEWER
	Treatment (Sanitation) Equipment													
1	Aeration Basin Diffusers				284,000		801,000					1,085,000		1,085,000
2	DAF No. 1 MCC Replacement	149,000										149,000		149,000
2	DAF No. 1 MCC Replacement (Carryover)	(69,000)										(69,000)		(69,000)
3	Additional Tertiary Filter Disks	92,000										92,000		92,000
3	Additional Tertiary Filter Disks (Recycled Water Reserves)	(92,000)										(92,000)		(92,000)
4	Tertiary Disinfection Optimization Project	132,000										132,000		132,000
4	Tertiary Disinfection Optimization Project (Recycled Water Reserves)	(132,000)										(132,000)		(132,000)
5	WRP Unit 290 Radiator Replacement	150,000										150,000		150,000
6	Influent Pump Station Isolation Gate Actuator Replacement	15,000										15,000		15,000
7	Main Electrical Room GB1 Retrofit						64,000					64,000		64,000
8	WRP Historian Configuration to Hach WIMS	30,000										30,000		30,000
	Total Treatment (Sanitation) Equipment	275,000	0	0	284,000	0	865,000	0	0	0	0	1,424,000	0	1,424,000
	Outside Treatment (SOCWA)													
1	SOCWA Capital Budget	269,944	170,571	1,828,855	3,586,777	2,362,780	2,633,131	1,740,114	297,051	90,579	2,986,287	15,966,089		15,966,089
1	Reserve Funding			(1,724,370)	(1,789,167)							(3,513,537)		(3,513,537)
1	Revenue Bond Funding	(269,944)	(170,571)	(104,485)								(545,000)		(545,000)
	Total Treatment (SOCWA)	0	0	0	1,797,610	2,362,780	2,633,131	1,740,114	297,051	90,579	2,986,287	11,907,552	0	11,907,552
	Vehicles/Vehicle Equipment													
1	Vehicle Replacement	133,900	64,000	148,000	169,000	174,000	179,000	148,000	190,000	1,332,000	323,000	2,860,900	1,430,450	1,430,450
1	Vehicle Replacement (Carryover)	(24,952)										(24,952)	(12,476)	(12,476)
2	Hydro Excavator	40,000									1,566,000	1,606,000	1,606,000	
3	F-550 w/ Valve Maintenance Skid	206,000										206,000	206,000	
4	Vactor Truck								369,000	1,107,000		1,476,000		1,476,000
5	Backhoe					169,000						169,000		169,000
6	SOCWA Hauling Trailer			317,000								317,000		317,000
7	New 275 kW Portable Generator										313,000	313,000	156,500	156,500
8	Electrical Vehicle Charger			67,000								67,000	33,500	33,500
	Total Vehicles/Vehicle Equipment	354,948	64,000	532,000	169,000	343,000	179,000	148,000	559,000	2,439,000	2,202,000	6,989,948	3,419,974	3,569,974
	General Building Projects													
1	Warehouse Backup Generator Unit 216 Replacement						344,000					344,000	172,000	172,000
2	Main Office Seal Coat					67,000						67,000	33,500	33,500
3	Administration Building Rehabilitation					524,000						524,000	262,000	262,000
	Total General Building Projects	0	0	0	0	591,000	344,000	0	0	0		935,000	467,500	467,500

Ten Year Capital Replacement & Refurbishment Program
F.Y. 2024/25 - 2033/34

ITEM	DESCRIPTION	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	TOTAL	WATER	SEWER
	IT and EI&C													
1	System-Wide Security Access Panel Replacement	49,000	50,000	52,000								151,000	75,500	75,500
2	Office Phone System Replacement					56,000						56,000	28,000	28,000
3	Remittance Processing Equipment Update	20,000										20,000	10,000	10,000
4	Data Center Hardware Replacement					227,000						227,000	113,500	113,500
5	Documentum Replacement / Corporate Intranet Development	61,000										61,000	30,500	30,500
6	Radio Communications Conversion from Cellular					68,000	93,000	96,000				257,000	128,500	128,500
7	Water Distribution and Sewer Collection System SCADA Upgrade	20,000										20,000	10,000	10,000
7	Water Distribution and Sewer Collection System SCADA Upgrade (Carryover)	(20,000)										(20,000)	(10,000)	(10,000)
	Total IT and EI&C	130,000	50,000	52,000	0	351,000	93,000	96,000	0	0	0	772,000	386,000	386,000
	Other Studies													
1	Asset Management	100,000	80,000	80,000								260,000	130,000	130,000
1	Asset Management (Carryover)	(6,860)										(6,860)	(3,430)	(3,430)
2	Orange County Cross Connection Policy Handbook	20,000										20,000	20,000	0
3	Lead and Copper Rule Revisions Service Line Inventories	97,908										97,908	97,908	0
	Total Other Studies	211,048	80,000	80,000	0	0	0	0	0	0	0	371,048	244,478	126,570
	Contingency													
1	Contingency	122,092	32,545	170,953	132,442	130,610	173,919	39,664	17,998	152,400	143,694	1,116,317	558,159	558,159
	Total Contingency	122,092	32,545	170,953	132,442	130,610	173,919	39,664	17,998	152,400	143,694	1,116,317	558,159	558,159
	Total Capital Budget	2,528,335	3,630,098	5,115,587	5,753,589	6,345,006	7,080,140	7,574,168	8,052,739	8,793,069	9,316,792	64,189,523	14,380,746	49,808,777
	Total Capital Projects	991,997	3,183,076	3,937,111	5,122,118	4,555,151	5,832,181	7,286,336	7,398,740	6,251,869	6,451,945	51,010,523	8,512,154	42,498,368
	WATER	417,479	131,891	149,484	118,398	1,592,764	1,762,270	639,306	1,751,190	192,990	1,756,384	8,512,154	8,512,154	
	SEWER	574,518	3,051,184	3,787,627	5,003,721	2,962,388	4,069,911	6,647,030	5,647,550	6,058,879	4,695,561	42,498,368		42,498,368
	Total Capital Equipment	1,536,338	447,023	1,178,477	631,471	1,789,855	1,247,960	287,832	653,999	2,541,200	2,864,847	13,179,000	5,868,592	7,310,409
	WATER	647,535	260,136	518,238	218,861	859,903	191,480	143,916	173,500	717,100	2,137,924	5,868,592	5,868,592	
	SEWER	888,803	186,886	660,238	412,611	929,953	1,056,480	143,916	480,500	1,824,100	726,924	7,310,409		7,310,409
	Total Capital Budget	2,528,335	3,630,098	5,115,587	5,753,589	6,345,006	7,080,140	7,574,168	8,052,739	8,793,069	9,316,792	64,189,523	14,380,746	49,808,777
	WATER	1,065,014	392,028	667,722	337,258	2,452,666	1,953,750	783,222	1,924,689	910,090	3,894,308	14,380,746	14,380,746	
	SEWER	1,463,321	3,238,071	4,447,865	5,416,331	3,892,340	5,126,391	6,790,946	6,128,050	7,882,979	5,422,484	49,808,777		49,808,777
	Total Capital Investment	7,673,477	6,693,121	11,190,287	7,569,756	6,426,551	7,080,140	7,654,168	8,052,739	8,793,069	10,738,442	81,871,750		
	Capital Budget	2,528,335	3,630,098	5,115,587	5,753,589	6,345,006	7,080,140	7,574,168	8,052,739	8,793,069	9,316,792	64,189,523		
	SOCWA Reserve	0	0	1,724,370	1,789,167	0	0	0	0	0	0	3,513,537		
	Accumulated Capital	1,247,278	233,074	0	0	0	0	0	0	0	0	1,480,352		
	Carryover	975,920	127,500	937,888	27,000	81,545	0	80,000	0	0	100,000	2,329,853		
	Recycled Reserves	224,000	0	0	0	0	0	0	0	0	0	224,000		
	Bond Funds	2,243,944	2,702,449	2,846,192	0	0	0	0	0	0	0	7,792,585		
	Grant Funding	454,000	0	566,250	0	0	0	0	0	0	1,321,650	2,341,900		

2024/25 CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM

Projects

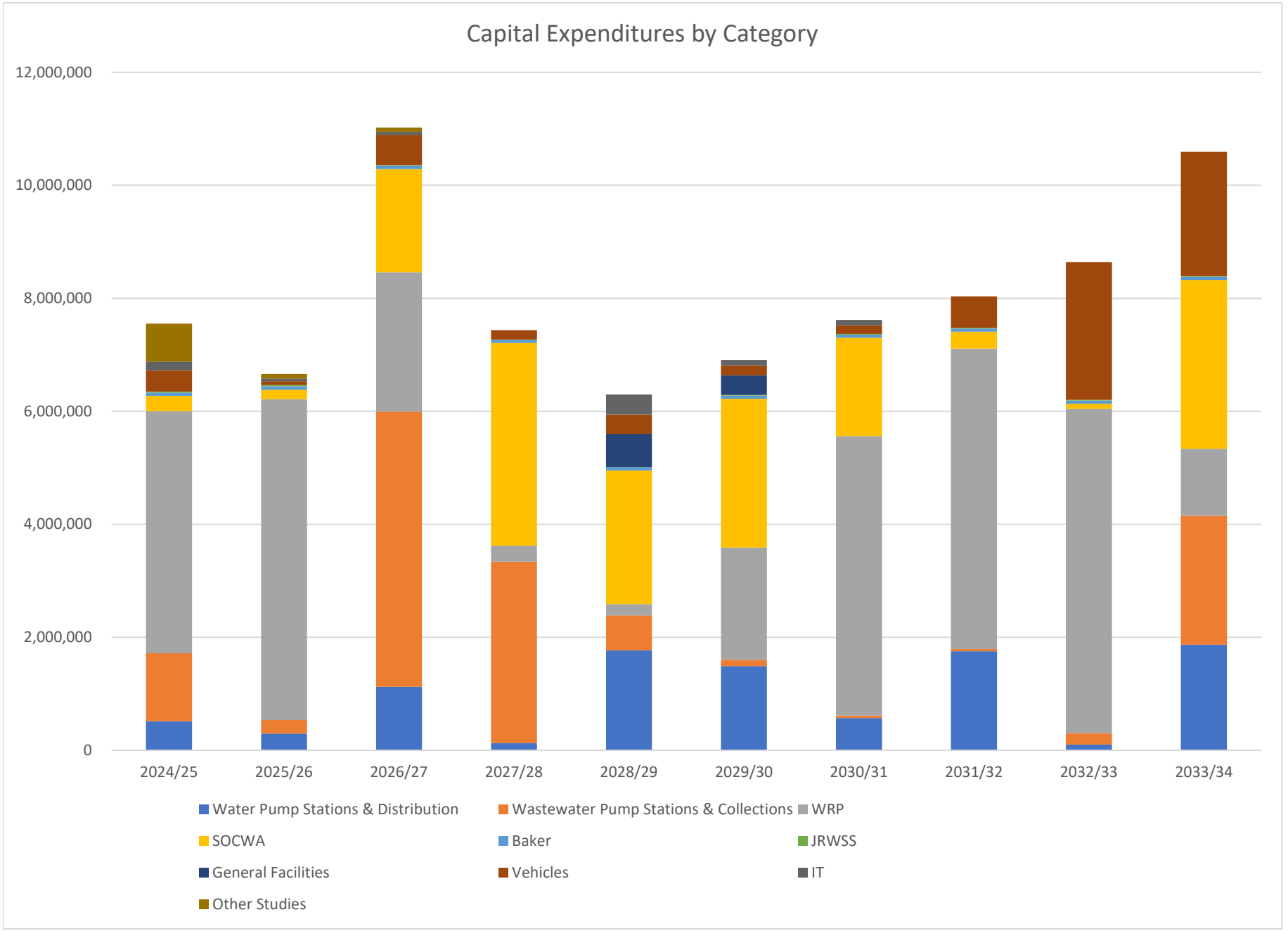
	Source of Supply / Storage Projects	
1	JRWSS Capital Budget	18,618
2	Baker WTP Replacement Fund	56,200
3	Direct Potable Reuse Feasibility Study	454,000
3	Direct Potable Reuse Feasibility Study (Assumed Grant Funding)	(454,000)
	Total Source of Supply / Storage Projects	74,818
	Pumping (Water) Projects	
4	Water Stations PLC Upgrade to Control Logix	25,000
4	Water Stations PLC Upgrade to Control Logix (Carryover)	(25,000)
6	R-6 Outlet Flow Meter Backup	9,000
7	South Orange County Turnout Project	75,000
8	Moulton Parkway/El Toro Road Cathodic Protection	145,000
8	Moulton Parkway/El Toro Road Cathodic Protection (Carryover)	(81,340)
	Total Pumping (Water) Projects	147,660
	Pumping (Sanitation) Projects	
9	Sewer Stations PLC Upgrade to Control Logix	25,000
9	Sewer Stations PLC Upgrade to Control Logix (Carryover)	(25,000)
10	Aliso Creek Pump Station Rehabilitation Project	600,000
10	Aliso Creek Pump Station Rehabilitation Project (Carryover)	(600,000)
	Total Pumping (Sanitation) Projects	0
	Treatment (Sanitation) Projects	
11	Headworks and Secondary Clarifier No. 1 Rehabilitation	1,974,000
11	Headworks and Secondary Clarifier No. 1 Rehabilitation (Revenue Bond)	(1,974,000)
12	RAS Pump Station Rehabilitation	24,800
13	Grit Chamber Rehabilitation	1,046,502
13	Grit Chamber Rehabilitation (Carryover)	(148,599)
13	Grit Chamber Rehabilitation (Accumulated Capital)	(897,903)
14	OOPS MCC and Valve Rehabilitation Project	191,000
15	Standby Blower Replacement	631,000
15	Standby Blower Replacement (Accumulated Capital)	(349,375)
	Total Treatment (Sanitation) Projects	497,425
	Outside Treatment (SOCWA)	
16	SOCWA Capital Budget	269,944
16	SOCWA Capital Budget (Revenue Bond)	(269,944)
	Total Treatment (SOCWA)	0
	Other Studies	
17	Asset Management	100,000
17	Asset Management (Carryover)	(6,860)
18	Orange County Cross Connection Policy Handbook	20,000
19	Lead and Copper Rule Revisions Service Line Inventories	97,908
	Total Contingency	211,048
	Total Capital Projects	$991,997

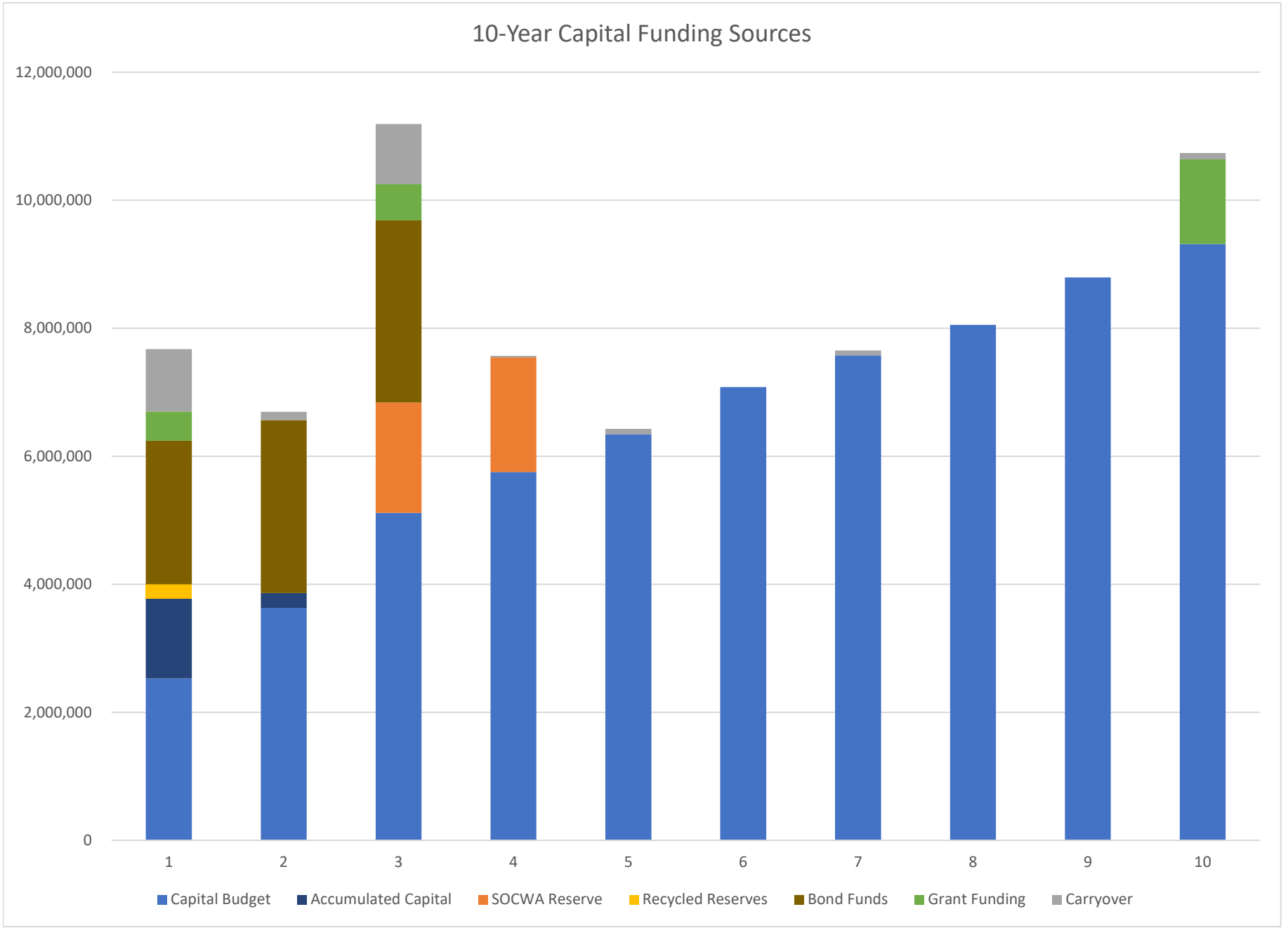
Equipment

	Pumping (Water) Equipment	
1	Cherry Booster Station Pump & Motor Replacement	167,000
2	New Handheld Meter Readers	14,500
3	Water Station HMI Replacement	10,000
4	Water Station HMI Replacement (Carryover)	(9,962)
4	R-4 Reservoir Mixing System Replacement	70,000
	Total Pumping (Water) Equipment	251,538
	Pumping (Sanitation) Equipment	
5	Westline Main Switchboard Replacement	37,250
6	Freeway Electrical Equipment Replacement	263,362
6	Freeway Electrical Equipment Replacement (Carryover)	(110,000)
7	Westline Generator Unit 213 Replacement	267,000
8	Sewer Station HMI Replacement	10,000
8	Sewer Station HMI Replacement (Carryover)	(3,807)
	Total Pumping (Sanitation)	463,806
	Treatment (Sanitation) Equipment	
9	DAF No. 1 MCC Replacement	149,000
9	DAF No. 1 MCC Replacement (Carryover)	(69,000)
10	Additional Tertiary Filter Disks	92,000
10	Additional Tertiary Filter Disks (Recycled Water Reserves)	(92,000)
11	Tertiary Disinfection Optimization Project	132,000
11	Tertiary Disinfection Optimization Project (Recycled Water Reserves)	(132,000)
12	WRP Unit 290 Radiator Replacement	150,000
13	Influent Pump Station Isolation Gate Actuator Replacement	15,000
14	WRP Historian Configuration to Hach WIMS	30,000
	Total Treatment (Sanitation) Equipment	275,000
	Vehicles / Vehicle Equipment	
15	Vehicle Replacement	133,900
15	Vehicle Replacement (Carryover)	(24,952)
16	Hydro Excavator	40,000
17	F-550 w/ Valve Maintenance Skid	206,000
	Total Vehicles/Vehicle Equipment	354,948
	IT and EI&C	
7	System-Wide Security Access Panel Replacement	49,000
8	Remittance Processing Equipment Update	20,000
9	Documentum Replacement / Corporate Intranet Development	61,000
10	Water Distribution and Sewer Collection System SCADA Upgrade	20,000
10	Water Distribution and Sewer Collection System SCADA Upgrade (Carryover)	(20,000)
	Total IT and EI&C	130,000
	Contingency	
11	Contingency	122,092
	Total Contingency	122,092
	Total Capital Equipment	$1,536,338

LEGEND
WATER
SEWER
BOTH

Total Capital Projects	991,997
Total Capital Equipment	1,536,338
Total Capital Budget	2,528,335


Capital Expenditures by Category
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
2024/25
2025/26
2026/27
2027/28
2028/29
2029/30
2030/31
2031/32
2032/33
2033/34
Water Pump Stations & Distribution
Wastewater Pump Stations & Collections
WRP
SOCWA
Baker
JRWSS
General Facilities
Vehicles
IT
Other Studies


10-Year Capital Funding Sources
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
1
2
3
4
5
6
7
8
9
10
Capital Budget
Accumulated Capital
SOCWA Reserve
Recycled Reserves
Bond Funds
Grant Funding
Carryover

EL TORO WATER DISTRICT
INSURANCE UPDATE

April 2024

Liability Program

The Liability Program Insurance has been renewed with JPIA effective October 1, 2023. The new premium is $207,547 from $179,027 last year.

Property Insurance

The Property Insurance has been renewed with JPIA effective July 1, 2023. The new premium is $123,403 from $102,570 last year.

Excess Public Employee Fidelity Program

The Excess Crime Program has been renewed with JPIA effective July 1, 2023. The new premium is $1,914 from $2,200 last year.

Cyber Security Insurance

The Cyber Security Insurance has been renewed with JPIA effective July 1, 2023. The new premium is $8,768 from $8,944 last year.

Underground Storage Tank Pollution Liability

The Underground Storage Tank Pollution Liability has been renewed with JPIA effective July 1, 2023. The new premium is $2,504 from $3,355 last year.

Dam Failure Liability

The Dam Failure Liability Policy has been renewed with JPIA effective October 1, 2023. The new premium is $47,617 from $45,427 last year.

Fiduciary Liability Policy

The Fiduciary Liability Policy has been renewed with JPIA effective September 1, 2023. The new premium is $11,596 from $11,645 last year.

Liability & Property Claims

1. As of November 22, 2023, the resolution for the damaged water failure at the Meridian senior residential building remains ongoing, with no final resolution reached. JPIA has paid a total of $198,366.03, with pending payments amounting to $388,271.71.

2. On March 5, 2024, one of our field employees was involved in a minor collision with another vehicle. Fortunately, no injuries were sustained. A claim has been filed by the claimant, but the cost of damages remains undetermined at this time.

Workers' Compensation Policy

The Workers' Compensation Policy renewed on July 1, 2023, and runs through June 30, 2024.

Workers' Compensation Claims

There was one workers' compensation claim this quarter. Employee was placed on modified work duty for 25 days with no missed work days.

Medical Insurance

The District offers five medical plans as follows:

Kaiser Health - $10 office co-pay with no annual deductibles.

Anthem Blue Cross – HMO; Offers a $10 copay with no annual deductibles.

Anthem Blue Cross – PPO; this plan offers benefits within the physician network and outside of the network. In network, there is a co-pay of $15.00 with an annual deductible of $200 per person and $600 per family. Out of the network, benefits are offered at 20% cost to the employee for all covered services with the same annual deductibles.

Kaiser Consumer Driven Health Plan along with an HSA – A high deductible tax advantaged health plan that provides for current medical and pharmacy expenses and allows saving for future health care expenses. $1,500 individual / $3,000 family deductible

Anthem Consumer Driven Health Plan along with a Health Savings Account - A high deductible tax advantaged plan that provides for current medical and pharmacy expenses and allows saving for future health care expenses. $1,500 individual / $3,000 family deductible.

The average cost per month per employee for the third quarter is $1531.30.

Vision Insurance

VSP provides vision coverage to our employees, Directors and dependents. It provides an annual eye exam and discounted rates for frames, lenses and contacts.

The cost per month per employee for the third quarter is $17.21.

Dental Insurance

The District provides dental coverage with Delta Dental. Our dental insurance pays up to $1,500 for the upcoming year for covered services. All preventative services are offered every six months with the copay waived. Effective February 1, 2024 the dental insurance will increase to $3,000 per year for covered services.

The average cost per month per employee for the third quarter is $107.70.

Long and Short Term Disability Insurance

The District offers Long and Short Term Disability Program through Lincoln National Life Insurance Company. The Long Term Disability program provides a maximum monthly benefit of $10,000. The Short Term Disability program provides a maximum weekly benefit of $ 1,500.

Both Short and Long Term Disability Programs are paid by the District and provides disability payments up to two thirds of an employee's weekly or monthly salary if the claim is approved.

Average cost per month per employee for the third quarter is $66.66.

Long Term Care Insurance

Long Term care is a program that provides a monthly benefit of $2,500 to be applied to home health care or an assisted living facility.

Average cost per month per employee for the third quarter is $12.41.

Life Insurance Coverage

The District offers Life Insurance coverage through Lincoln National Life Insurance Company at twice the employee's annual salary up to a maximum of $300,000.

Lincoln National Life Insurance Company also provides life insurance coverage for the Directors.

Premium rates are based on the age and salary of insured employees. The premium is adjusted on the employee's birthday every fifth year.

The average cost per month per employee for the third quarter is $51.36.

Employee Assistance Program (EAP) Coverage

UNUM is the District's carrier for the Employee Assistance Program. This program offers assistance in many areas such as childcare, eldercare, legal consultations, and health information, personal relationship issues, financial planning assistance, stress management, and career development. This benefit also comes with a $5,000 portable term life insurance benefit.

The cost per month per employee for the third quarter is $1.84.

An insurance report of Budget vs. Actual Costs for the fiscal year 2023/2024 is attached for the Board's review as well as a summary of currently held District insurance policies.

Submitted by:
Judy Cimorell
Oscar Hernandez

Budget vs. Actual - Q3 2023/2024
4/1/2024

Insurance Coverage	Actual Paid to Date
Liability	$207,547
Property	$123,403
Fiduciary Liability	$11,645
Cyber Liability	$8,768
Dam Insurance (includes Excess)	$47,617
Less: SMWD - 50% R-6 Cost Share	($23,809)
MNWD - 5% R-6 Cost Share	($2,381)
Underground Storage Tank	$2,504
Excess Crime	$1,914
Total Insurance	**$377,209**

Benefits - Directors	Annual Budget	Q3 Budget	Accumulative Q3 Actual	Budget Remaining
Long Term Care	$840	$630	($2,672)	$3,512
Medical Employer Paid	$20,200	$15,150	$15,367	$4,833
Health Savings Account	$3,000	$2,250	$3,200	($200)
Dental	$1,700	$1,275	$2,061	($361)
Vision	$400	$300	$792	($392)
Life	$2,640	$1,980	$87	$2,553
Total Benefits Directors	**$28,780**	**$21,585**	**$18,835**	$9,945
Retiree Benefits				
Medical Employer Paid	$312,000	$234,000	$213,637	$98,363
Total retiree benefits	**$312,000**	**$234,000**	**$213,637**	$98,363
Employee Benefits				
Emp.Assistance Program	$1,230	$923	$947	$283
Medical Employer Paid	$1,118,735	$839,051	$801,733	$317,002
Health Savings Account	$1,500	$1,125	$12,800	($11,300)
Life/AD&D	$36,432	$27,324	$28,169	$8,263
Dental	$58,612	$43,959	$48,198	$10,414
Vision	$12,883	$9,662	$9,018	$3,865
LTD/STD	$33,960	$25,470	$34,455	($495)
LTC Employer Paid	$17,060	$12,795	$6,315	$10,745
Workers comp.	$129,280	$96,960	$119,240	$10,040
Total Employee Benefits	**$1,409,692**	**$1,057,269**	**$1,060,875**	**$348,817**

SUMMARY OF COVERAGE

Type of Coverage	**GENERAL LIABILITY**	**Coverage Term: 10/23-10/24**
Coverage Includes	1. Commercial General Liability 2. Contractual Liability 3. Products/Completed Operations 4. Personal Injury	**Premium - $207,547**
Coverage Limits	**Insurance Carrier**	**Policy Number**
	Pooled Self-insured	MOLC - 100110

Type of Coverage	**AUTO LIABILITY**	**Coverage Term: 10/23-10/24**
Coverage Includes	1. Owned Automobiles/Trucks 2. Non-owned Automobiles/Trucks 3. Hired Automobiles/Trucks	**Premium - Included**
Coverage Limits	**Insurance Carrier**	**Policy Number**
	Pooled Self-insured	MOLC - 100110

Type of Coverage	**PUBLIC OFFICIALS LIABILITY**	**Coverage Term: 10/23-10/24**
Included within the General Liability Program		
Coverage Includes	1. Errors & Omissions	**Premium - Included**
Coverage Limits	**Insurance Carrier**	**Policy Number**
	Pooled Self-insured	MOLC - 100110

Type of Coverage	**PROPERTY**	**Coverage Term: 7/23 - 6/24**
Coverage Includes	1. Basic Property Values- Building, Fixed Equipment, Personal Property 2. Mobile Equipment Value 3. Licensed Vehicle - Comprehensive & Collision - Private Passenger, Light Truck, Sport Utility, Other Vehicles	**Premium - $123,403**
Automobile Physical Damage **Comprehensive - 83 Vehicles** **Collision - 83 Vehicles**		
Coverage Limits	**Insurance Carrier**	**Policy Number**
	Pooled Self-insured	MOLC - 100110

Type of Coverage	**EXCESS CRIME PROGRAM**	**Coverage Term: 7/23 - 6/24**
Coverage Includes	1. Public Employee Dishonesty 2. Forgery or Alteration 3. Computer Fraud 4. Faithful Performance of Duty 5. Treasurer/Tax Collector/Board Members (included)	**Premium - $1,914**
Coverage Limits	**Insurance Carrier**	**Policy Number**
	Pooled Self-insured	MOLC - 100110

Type of Coverage	**UNDERGROUND STORAGE TANK POLLUTION LIABILITY**	**Coverage Term: 7/23 - 06/24**
Coverage Includes	1. Claims-Made 2. Environmental Incident	**Premium - $2504**
Covers 1 Tank Located at: **23542 Moulton Parkway** **Laguna Woods, CA 92637**		
Coverage Limits	**Insurance Carrier**	**Policy Number**
	Pooled Self-insured	MOLC - 100110

Type of Coverage	**DAM FAILURE LIABILITY**	**Coverage Term: 10/23-9/24**
Coverage (Includes Excess Ins. for El Toro Reservoir)	$10,000,000.00	**Premium - $47,617**
Covers: **El Toro Reservoir** **Rossmoor Dam**	$5,000,000.00	
Coverage Limits	**Insurance Carrier**	**Policy Number**
		MOLC - 100110

Type of Coverage	**FIDUCIARY LIABILITY**	**Coverage Term: 9/23-8/24**
Coverage Includes	1. Executive Protection Policy	**Premium - $11,596**
Parent Organization: **ETWD Retirement Savings Plan &**	**Trust Agreement**	
Coverage Limits	**Insurance Carrier** Hudson Insurance Company	**Policy Number** SFD31211603

Type of Coverage	**CYBER SECURITY**	**Coverage Term: 7/23-6/24**
First Year		**Premium - $8,768**

Type of Coverage	WORKERS' COMPENSATION	Coverage Term: 7/23 - 6/24
Coverage Includes	1. Coverage A - Workers' Compensation 2. Coverage B - Employer's Liability	**3rd Quarter Premium** **$40,638**
Coverage Limits	**Insurance Carrier**	**Policy Number**
Coverage A		
$0 - $2 Million	Pooled Self-insured	MOLC - 100110
$2 Million to Statutory		
Coverage Limits	**Insurance Carrier**	**Policy Number**
Coverage B		
$0 - $2 Million	Pooled Self-insured	MOLC - 100110
$2 Million excess of $2 Million SIR		

Type of Coverage	LIFE & ACCIDENT	3rd Quarter Premium $9,276
Coverage Includes	**Coverage - 2 X Annual Income (Max. of $300,000)**	
Insurance Carrier	**Lincoln National Life Insurance Co.**	**Policy # 10218807**
Eligibility Period	**2 Months After Hire**	
Plan Wait or Deductible	**60 Days**	

Type of Coverage	LONG / SHORT TERM DISABILITY	3rd Quarter Premium $11,998
Coverage Includes	**Two Thirds of Insured Earnings Max. of $10,000**	
Insurance Carrier	**Lincoln National Life Insurance Co.**	**Policy # 10218808**
Eligibility Period	**1 Year After Hire**	
Plan Wait or Deductible	**30 Days STD 90 Days or 9 Weeks LTD**	

Type of Coverage	LONG TERM CARE	3rd Quarter Premium $2,233
Coverage Includes	**$2,500/Month $150,000 Total Benefit**	
Insurance Carrier	**UNUM**	**Policy # 220384**
Eligibility Period	**1 Year After Hire**	
Plan Wait or Deductible	**365 Days**	

Type of Coverage	MEDICAL	3rd Quarter Premium $376,918
Coverage Includes	HMO, PPO, HDP by Employee Choice	
Insurance Carrier	Anthem Blue Cross / Kaiser Insurance thru ACWA/JPIA	Policy #229CA
Eligibility Period	1 Month After Hire	
Plan Wait or Deductible	30 Days	

* Premium includes Employees, Retirees & Directors

Type of Coverage	DENTAL	3rd Quarter Premium $20,182
Coverage Includes	$25.00 or $50.00/Family	
Insurance Carrier	Delta Dental Plan of California	Policy #399-1012
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

Type of Coverage	VISION	3rd Quarter Premium $3,201
Coverage Includes	Annual Exam/Frame Every 2 Years	
Insurance Carrier	Vision Service Plan thru ACWA	Policy #399-1012
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

Type of Coverage	PERSONAL ACCIDENT INSURANCE	3rd Quarter Premium Employee Paid
Coverage Includes	$50,000 or $100,000	
Insurance Carrier	CIGNA	Policy # OKH-1253-56
Eligibility Period	Optional	
Plan Wait or Deductible	None	

Type of Coverage	Supplemental Financial Insurance Program	3rd Quarter Premium Employee Paid
Coverage Includes	Voluntary - Life, Accident / Injury, Hospital, Critical Care, Short-term Disability, Dental	
Insurance Carrier	AFLAC	Policy # E3B26
Eligibility Period	Optional	
Plan Wait or Deductible	None	

Agenda Item No. 6

STAFF REPORT

To: **BOARD OF DIRECTORS** **Meeting Date: April 22, 2024**

From: **Vishav Sharma, Chief Financial Officer**

Subject: **Quarterly audit report for the periods July1, 2023 to September 30, 2023 and the period from October 1, 2023 to December 31, 2023.**

Attached to this memo please find the quarterly audit (Agreed-Upon Procedures (AUP)) Report for the El Toro Water District for the quarters ended September 30, 2023 & December 31, 2023.

The Districts current auditors CliftonLarsonAllen LLP are hired to perform this special audit on quarterly basis. As part of this procedure the auditor obtained an understanding of the District's internal control and tested transactions related to cash receipts, cash disbursements, investments, payroll, purchasing, accounts payable, water and sewer billing. The Finance Staff is pleased to report that the audit found no exceptions.

Recommended Action: Staff recommends that the Board receive and file the quarterly audit reports for the periods July 1, 2023 to September 30, 2023 and the period from October 1, 2023 to December 31, 2023 as presented by CliftonLarsonAllen.

Attachments

- Attachment 1 – Agreed-Upon Procedures for the quarter Ended September 30, 2023
- Attachment 2 – Agreed-Upon Procedures for the quarter Ended December 31, 2023

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
El Toro Water District
Lake Forest, CA 92630

We have performed the procedures enumerated below on El Toro Water District's adherence to cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments procedures (procedures) for the quarter ended September 30, 2023. The District's management is responsible for adherence with procedures.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the District's adherence with procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained an understanding of the District's approved internal control procedures over cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments, through discussions with management.

   Results: We performed procedures 2 to 6 based on our understanding of the District's adherence with procedures for cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments.

2. We tested adherence to approved cash receipt procedures by selecting three days' receipts. The selected days' receipts were totaled for arithmetic accuracy and then traced to the general ledger for accurate account distribution. Each days' total deposit was agreed to the monthly bank statement. A total of fifteen water billing receivable receipts were traced and agreed to the subsidiary ledger detail.

   Results: No exceptions were noted.

3. We tested adherence to approved water and sewer billing and receivable procedures by selecting ten customer billings. For each billing selected, we traced the billing rates to approved Board of Directors actions and verified the mathematical accuracy of the billing. We also verified that the billing was correctly posted to the customer record and verified subsequent receipt.

   Results: No exceptions were noted.

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4. We tested adherence to approved cash disbursements, purchasing, and accounts payable procedures by selecting fifteen voucher packages. For each voucher package selected, we inspected the cancelled check for endorsement and signature. We agreed the date, amount, and payee to the cash disbursement journal. We also agreed the amount and payee to supporting invoices or other supporting documents, noting that the invoice was approved by an authorized employee and that the invoice was cancelled to prevent possible resubmission. We verified the account distribution and traced the account distribution to the cash disbursements journal.

   Results: No exceptions were noted.

5. We tested adherence to approved payroll procedures by selecting five payroll disbursements. We examined supporting time cards for approval by supervisors, agreed hours worked as noted on the time cards to the payroll register, agreed the hourly or salary rate to an authorized pay schedule, and recalculated computations of gross and net pay. We verified the posting of the amounts from the payroll register to the general ledger accounts.

   Results: No exceptions were noted.

6. We tested adherence to the investment policy by selecting the Treasurer's report for the month ended September 30, 2023. For the investments held at month-end, we reviewed the investment type and verified that the investments were in compliance with the District's policy. We traced investments listed on the Treasurer's report to the trustees' statements and the general ledger.

   Results: No exceptions were noted.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's adherence with procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of El Toro Water District's management is not intended to be, and should not be, used by anyone other than the specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
April 15, 2024

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
El Toro Water District
Lake Forest, CA 92630

We have performed the procedures enumerated below on El Toro Water District's adherence to cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments procedures (procedures) for the quarter ended December 31, 2023. The District's management is responsible for adherence with procedures.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the District's adherence with procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained an understanding of the District's approved internal control procedures over cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments, through discussions with management.

   Results: We performed procedures 2 to 6 based on our understanding of the District's adherence with procedures for cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments.

2. We tested adherence to approved cash receipt procedures by selecting three days' receipts. The selected days' receipts were totaled for arithmetic accuracy and then traced to the general ledger for accurate account distribution. Each days' total deposit was agreed to the monthly bank statement. A total of fifteen water billing receivable receipts were traced and agreed to the subsidiary ledger detail.

   Results: No exceptions were noted.

3. We tested adherence to approved water and sewer billing and receivable procedures by selecting ten customer billings. For each billing selected, we traced the billing rates to approved Board of Directors actions and verified the mathematical accuracy of the billing. We also verified that the billing was correctly posted to the customer record and verified subsequent receipt.

   Results: No exceptions were noted.

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4. We tested adherence to approved cash disbursements, purchasing, and accounts payable procedures by selecting fifteen voucher packages. For each voucher package selected, we inspected the cancelled check for endorsement and signature. We agreed the date, amount, and payee to the cash disbursement journal. We also agreed the amount and payee to supporting invoices or other supporting documents, noting that the invoice was approved by an authorized employee and that the invoice was cancelled to prevent possible resubmission. We verified the account distribution and traced the account distribution to the cash disbursements journal.

   Results: No exceptions were noted.

5. We tested adherence to approved payroll procedures by selecting five payroll disbursements. We examined supporting time cards for approval by supervisors, agreed hours worked as noted on the time cards to the payroll register, agreed the hourly or salary rate to an authorized pay schedule, and recalculated computations of gross and net pay. We verified the posting of the amounts from the payroll register to the general ledger accounts.

   Results: No exceptions were noted.

6. We tested adherence to the investment policy by selecting the Treasurer's report for the month ended December 31, 2023. For the investments held at month-end, we reviewed the investment type and verified that the investments were in compliance with the District's policy. We traced investments listed on the Treasurer's report to the trustees' statements and the general ledger.

   Results: No exceptions were noted.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's adherence with procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of El Toro Water District's management is not intended to be, and should not be, used by anyone other than the specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
April 15, 2024

Agenda Item No. 7

STAFF REPORT

To: **Board of Directors** **Meeting Date: April 22, 2024**

From: **Vishav Sharma, Chief Financial Officer**

Subject: **March 2024 bills for Approval and Monthly Financial Report**

Attached for Board approval is the payment summary report for the month of March, 2024 which presents checks that were paid during the month that exceeded $50,000 in value. Also attached is the monthly financial report for March, 2024.

Presented below for your consideration are some notes about the financial report:

- The Statement of Net Position decreased in March compared to February as increases in Liabilities in March were more than increases in Assets. The District collected less on the receivables. The District also incurred construction & water purchase expenses during the month of March. These activities affected the assets and liabilities of the District. Please note that this report contains preliminary numbers.
- The Statement of Revenues, Expenses, and Changes in Net Position indicates the District currently has a year to date positive Change in Net Position of $4,565,054 at the end of March.
- The Cash and Investments report shows a total of $24,354,451 in Operating Cash (LAIF, CAMP, and Checking accounts) at the end of the month. Operating cash and investments are available to meet the operational needs of the District. The restricted investments equaled $107,608. These are the funds available for certain capital projects.
- The total disbursement including payroll expanse for the month of March 2024 is $3,020,676.49. These disbursements include nine checks greater than $50,000, with the total equal to $1,599,001.92. These expenses exceed the General Manager's purchase authority and Staff recommends the Board approve these checks. Payroll expenses of $650,456.22 occurred during the month of March 2024. District employees were reimbursed $1,429.31 for travel, education, meals, supplies and certification related expenses; and Directors were reimbursed $247.16 in travel expenses.

Attachment 1

Cash Sheet for the Month ending March 31, 2024

EL TORO WATER DISTRICT
Payment Summary
For the month ending March 31, 2024

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
10946	03/07/2024	Irvine Ranch Water District	336,303.17
11074	03/29/2024	Municipal Water District of Orange County	332,361.99
10951	03/07/2024	Municipal Water District of Orange County	270,846.66
11057	03/29/2024	Dumarc Corporation	190,077.38
10996	03/21/2024	ACWA JPIA	142,156.49
10992	03/15/2024	Southern California Edison Company	133,802.69
10913	03/01/2024	Moulton Niguel Water District	90,184.10
10986	03/15/2024	Nieves Landscape, Inc	52,204.94
10982	03/15/2024	Layfield USA Corp	51,064.50
		TOTAL CHECKS OVER $50,000	**$ 1,599,001.92**
		TOTAL CHECKS IN REGISTER	**$ 2,370,220.27**

DEBIT TRANSFERS

	03/08/2024	PAYROLL DIRECT DEPOSIT	175,842.82
	03/08/2024	FEDERAL DEPOSIT LIABILITY	36,066.89
	03/08/2024	SDI & STATE TAX	15,833.57
	03/08/2024	WAGE GARNISHMENTS	190.00
	03/08/2024	EMPOWER (401K)	69,705.83
	03/08/2024	EMPOWER (457)	20,640.92
	03/08/2024	HEALTH SAVINGS ACCOUNT	71.15
	03/15/2024	PAYROLL BOARD OF DIRECTOR	6,591.14
	03/15/2024	SS, MEDICARE, SDI & STATE TAX	1,110.36
	03/15/2024	EMPOWER (457)	2,550.25
	03/15/2024	HEALTH SAVINGS ACCOUNT	404.00
	03/22/2024	PAYROLL DIRECT DEPOSIT	174,825.18
	03/22/2024	FEDERAL DEPOSIT LIABILITY	35,789.48
	03/22/2024	SDI & STATE TAX	15,731.57
	03/22/2024	WAGE GARNISHMENTS	190.00
	03/22/2024	EMPOWER (401K)	69,935.88
	03/22/2024	EMPOWER (457)	21,029.40
	03/22/2024	HEALTH SAVINGS ACCOUNT	71.15
	03/31/2024	BANK FEES	3,876.63
		TOTAL INTERBANK WIRES / DEBIT TRANSFERS	**$ 650,456.22**
		TOTAL DISBURSEMENTS	**$ 3,020,676.49**

REIMBURSEMENTS TO ETWD EMPLOYEES

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
10920	03/01/2024	Sherri Seitz (Travel Expenses)	516.09
10950	03/07/2024	Michael Snow (Membership)	296.00
11039	03/15/2024	Lonnie Wentz (Certification)	250.00
10925	03/01/2024	Steve Sanchez (Certification)	230.00
11056	03/29/2024	Denise Kerr (Certification)	120.00
11085	03/29/2024	Rory Harnisch (Mileage)	17.22
		TOTAL CHECKS TO EMPLOYEES	**$ 1,429.31**

REINBURSEMENTS TO ETWD DIRECTORS

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
10948	03/07/2024	Mark Monin (Travel Expenses)	132.66
10975	03/15/2024	Fred Adjarian (Travel Expenses)	80.40
10981	03/15/2024	Kathryn Freshley (Travel Expenses)	26.60
10984	03/15/2024	Michael Gaskins (Travel Expenses)	7.50
		TOTAL CHECKS TO DIRECTORS	**$ 247.16**

Attachment 2

Statement of Net Position for the March 31, 2024

El Toro Water District
Interim Statement of Net Position for the Month of March, 2024

	6/30/2023 Ending	2/29/2024 Interim	3/31/2024 Interim	Change
Assets				
Current Assets				
Cash & Cash Equivalents	10,138,838	19,316,135	18,281,196	(1,034,940)
Investments	16,688,703	6,154,932	5,970,850	(184,081)
Accounts Receivable	6,342,616	5,390,775	5,784,027	393,251
Materials & Supply Inventory	260,700	268,418	678,172	409,754
Prepaid Expenses	200,587	327,583	283,878	(43,705)
Restricted - Cash & Cash Equivalents	4,386,674	144,835	144,871	37
Current Assets - Sub-total	38,018,118	31,602,678	31,142,994	(459,684)
Non-Current Assets				
Lease Receivable	361,011	361,011	361,011	-
Land & Easements	7,451,585	7,451,585	7,451,585	-
Capacity Rights	342,382	342,382	342,382	-
Capital Assets				
Water System	37,781,450	37,781,450	37,781,450	-
Wastewater System	57,334,500	57,334,500	57,334,500	-
Recycled System	55,454,389	55,454,389	55,454,389	-
Combined Assets	15,919,853	15,919,853	15,919,853	-
Construction in Progress	24,581,587	33,786,353	34,772,047	985,693
Accumulated Depreciation	(92,651,512)	(95,440,867)	(95,789,537)	(348,670)
Non-Current Assets - Sub-total	106,575,244	112,990,656	113,627,679	637,023
Total Assets	**144,593,362**	**144,593,334**	**144,770,673**	**177,339**
Deferred Outflows of Resources				
OPEB Deferred Outflow of Resources	3,493,769	3,493,769	3,493,769	-
Liabilities				
Current Liabilities				
Accounts Payable & Accrued Expenses	6,365,798	1,718,214	1,622,663	(95,552)
Accrued Salaries & Related Payables	150,618	(324,435)	2,997	327,432
Customer Deposits	49,231	12,500	12,350	(150)
Accrued Interest Payable	162,721	665,305	1,071,653	406,348
Long Term Liabilities - Due in One Year				-
Compensated Absences	182,171	182,171	182,171	-
Loans Payable	1,846,288	1,846,288	1,846,288	-
Current Liabilities - Sub-total	8,756,827	4,100,043	4,738,121	638,078
Non-Current Liabilities				
Compensated Absences	1,431,790	1,431,791	1,431,791	-
Other Post-Employment Benefits Liability	11,050,192	11,050,192	11,050,192	-
Loans Payable	53,316,865	52,948,825	52,948,825	-
Non-Current Liabilities - Sub-total	65,798,847	65,430,807	65,430,807	-
Total Liablities	**74,555,674**	**69,530,851**	**70,168,929**	**638,078**
Deferred Inflows of Resources				
Deferred Amounts from Leases	583,336	583,336	583,336	-
Deferred Amounts from OPEB	9,124,466	9,124,468	9,124,468	-
Total Deferred Inflows of Resources	9,707,802	9,707,804	9,707,804	-
Net Position				
Net Investment in Capital Assets	54,965,376	58,195,543	58,832,566	637,023
Restricted - Capital Projects	2,895	2,895	2,895	-
Restricted - Debt Service	-	42,503	42,503	-
Unrestricted	8,855,384	10,607,507	9,509,745	(1,097,762)
Total Net Position	**63,823,655**	**68,848,448**	**68,387,709**	**(460,739)**

Attachment 3

Statement of Revenues, Expenses, and Changes in Net Position
for March 31, 2024

Statement of Revenues, Expenses, and Changes in Net Position for the Month of March, 2024

	District		Water System		Wastewater System		Recycled System		Capital Improvments	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Operating Revenues										
Commodity Supply Charges	$ 11,989,100	$ 7,575,850	$ 10,027,100	$ 6,441,797	$ -	$ -	$ 1,962,000	$ 1,134,053	$ -	$ -
Service Provision Charges	14,490,200	10,634,185	4,691,400	3,479,430	9,350,200	6,834,876	448,600	319,879	-	-
Capital Facilities Charge	4,093,900	2,928,324	-	-	-	-	-	-	4,093,900	2,928,324
Charges for Services	125,000	920	125,000	920	-	-	-	-	-	-
Miscellaneous Operating Income	42,100	49,806	31,000	29,355	10,100	20,451	1,000	-	-	-
Grants, Rebates, Reimbursements	4,101,300	4,990,986	-	4,871	5,300	6,287	96,000	176,356	4,000,000	4,803,471
Total Operating Revenues	34,841,600	26,180,071	14,874,500	9,956,374	9,365,600	6,861,614	2,507,600	1,630,288	8,093,900	7,731,796
Operating Expenses										
General & Administrative	5,262,060	3,647,143	2,110,500	1,540,025	2,729,480	1,818,776	422,080	288,342	-	-
Operations & Maintenance	21,461,400	14,999,371	12,797,500	8,362,110	7,208,600	5,541,030	1,455,300	1,096,231	-	-
Operating Capital Expenses	1,068,150	2,928	-	-	-	-	-	-	1,068,150	2,928
Other Operating Expenses	300,000	222,993	120,000	89,197	156,000	115,956	24,000	17,839	-	-
Depreciation & Amortization	4,906,900	3,138,030	-	-	-	-	-	-	4,906,900	3,138,030
Total Operating Expenses	32,998,510	22,010,465	15,028,000	9,991,332	10,094,080	7,475,762	1,901,380	1,402,412	5,975,050	3,140,958
Operating Income/(Loss)	1,843,090	4,169,606	(153,500)	(34,959)	(728,480)	(614,148)	606,220	227,876	2,118,850	4,590,838
Non-operating Revenues										
Property Taxes	1,155,000	863,337	460,000	345,337	600,000	448,937	95,000	69,063	-	-
Investment Earnings	250,000	880,954	100,000	300,811	130,000	381,180	20,000	3,526	-	195,438
Miscellaneous Revenue	249,400	189,864	238,000	188,782	10,400	1,032	1,000	51	-	-
Interest Expense	(1,928,200)	(1,629,294)	-	-	-	-	-	-	(1,928,200)	(1,629,294)
Net Non-Operating Revenues	(273,800)	304,862	798,000	834,929	740,400	831,149	116,000	72,640	(1,928,200)	(1,433,856)
Income/(Loss) before Contributions & Transfers	1,569,290	4,474,468	644,500	799,971	11,920	217,000	722,220	300,515	190,650	3,156,981
Transfers										
Transfers In	1,809,100	1,409,325	-	-	-	-	-	-	1,809,100	1,409,325
Transfers Out	(1,809,100)	(1,410,325)	(881,880)	(662,410)	-	-	(927,220)	(747,915)	-	-
Net Transfers	-	(1,000)	(881,880)	(662,410)	-	-	(927,220)	(747,915)	1,809,100	1,409,325
Capital Contributions										
Donations & Contributions	-	90,587	-	-	-	-	-	-	-	90,587
Total Capital Contributions	-	90,587	-	-	-	-	-	-	-	90,587
Change in Net Position	1,569,290	4,564,054	(237,380)	137,561	11,920	217,000	(205,000)	(447,400)	1,999,750	4,656,893
Beginning Net Position	63,823,655	63,823,655								
Ending Net Position	$ 65,392,945	$ 68,387,709								

Attachment 4

Summary of Revenues and Expenses for the March 31, 2024

Summary of Revenues and Expenses for the Month of March, 2024

Account - Description	Month Actual	YTD Actual	2023-2024 Budgeted	Budget Remaining	% of Budget Remaining
Summary of Total District Revenues					
District Totals					
Commodity Supply Charges	484,043	7,575,850	11,994,600	4,418,750	36.8%
Service Charges	1,175,004	10,634,185	14,490,200	3,856,015	26.6%
Capital Facility Charges	331,482	2,928,324	4,093,900	1,165,576	28.5%
Charges for Services	-	920	125,000	124,080	99.3%
Miscellaneous Revenue	25,713	239,670	301,600	61,930	20.5%
Grants, Rebates, Reimbursements	14,292	4,990,986	4,096,000	(894,986)	-21.9%
Property Taxes	96,250	863,337	1,155,000	291,663	25.3%
Investment Income	90,094	880,954	250,000	(630,954)	-252.4%
Donations & Capital Contributions	-	90,587	-	(90,587)	N/A
Total Revenue	2,216,879	28,204,814	36,506,300	8,301,486	22.7%
Summary of Total District Expenses					
Salary Expenses					
Directors Fees	10,293	80,811	131,400	50,589	38.5%
Exempt Salaries	140,198	1,154,772	1,407,000	252,228	17.9%
Non-exempt Salaries	527,874	4,047,997	5,513,800	1,465,803	26.6%
Other Salary Payments	(152,406)	297	188,400	188,103	99.8%
Overtime	26,329	172,632	230,000	57,368	24.9%
Overtime - On-call	6,720	64,800	72,700	7,900	10.9%
Stipends/Allowances	4,217	43,046	74,800	31,754	42.5%
Employee Service Awards	1,330	3,250	5,000	1,750	35.0%
Salary Expenses Sub-total	564,556	5,567,605	7,623,100	2,055,495	27.0%
Benefit Expenses					
Medical Insurance	376,087	887,115	1,138,900	251,785	22.1%
HSA Contributions	-	16,000	4,500	(11,500)	-255.6%
Dental Insurance	28,132	55,707	60,300	4,593	7.6%
Vision Insurance	6,315	12,342	13,100	758	5.8%
Life Insurance	-	23,207	36,600	13,393	36.6%
Disability Insurance	16,097	16,098	33,300	17,202	51.7%
Long-term Care Insurance	12,722	13,288	17,900	4,612	25.8%
Workers Compensation Insurance	-	70,458	129,100	58,642	45.4%
State Unemployment Insurance	-	973	3,060	2,087	68.2%
401k Retirement Contributions	81,950	492,762	622,600	129,838	20.9%
401k Matching Contributions	(31,513)	277,082	235,900	(41,182)	-17.5%
457b Matching Contributions	39,730	106,068	235,900	129,832	55.0%
Medicare Insurance	7,790	76,504	104,800	28,296	27.0%
FICA	219	1,528	-	(1,528)	N/A
Benefit Expenses Sub-total	537,529	2,049,131	2,635,960	586,829	22.3%
Commodity Purchased for Resale					
Water Purchases - MWDOC	(377,224)	2,108,115	4,228,600	2,120,485	50.1%
Water Purchases - MWDOC Fixed	136,948	576,559	784,200	207,641	26.5%
Water Purchases - AMP/SAC	5,242	23,716	-	(23,716)	N/A
Regional Water Supply Expenses	-	3,141	8,000	4,859	60.7%
Water Purchases - Baker WTP	513,679	1,958,658	3,120,500	1,161,842	37.2%
Water Purchases - Baker O&M	261,212	492,301	830,500	338,199	40.7%
Water Purch - Other Agencies	90,107	296,334	-	(296,334)	N/A
MWDOC Service Connect Charge	-	128,481	125,000	(3,481)	-2.8%
Commodity Purchased for Resale Sub-total	629,964	5,587,304	9,096,800	3,509,496	38.6%

Summary of Revenues and Expenses for the Month of March, 2024

Account - Description	Month Actual	YTD Actual	2023-2024 Budgeted	Budget Remaining	% of Budget Remaining
Contracted/Purchased Services					
Consultants	-	5,418	61,500	56,083	91.2%
Engineering Services	8,169	57,559	48,000	(9,559)	-19.9%
Audit & Accounting Services	-	37,000	45,600	8,600	18.9%
Technology Consultants	1,859	46,667	60,000	13,333	22.2%
SOCWA Contract	-	987,886	1,100,000	112,114	10.2%
Contractors	23,054	126,508	271,500	144,992	53.4%
Contracted Employees	-	38,841	-	(38,841)	N/A
Legal Svcs - General Counsel	5,742	59,497	90,000	30,503	33.9%
Legal Svcs - Specialty Counsel	150	2,539	25,000	22,461	89.8%
Other Legal Services	1,127	3,898	-	(3,898)	N/A
Employee Recruitmnt/Compliance	-	12,527	5,000	(7,527)	-150.5%
Employee Health & Wellness	1,307	21,417	6,000	(15,417)	-257.0%
Employee Relations Expenses	237	8,564	1,960	(6,604)	-336.9%
Professional Services	-	1,817	-	(1,817)	N/A
Landscaping Services	55,593	111,689	150,000	38,311	25.5%
Janitorial Contracts	1,322	24,544	45,000	20,456	45.5%
Equipment Rental	1,379	7,305	15,000	7,695	51.3%
Uniform Rental	1,731	4,523	15,000	10,477	69.8%
Laboratory Services	2,785	24,889	31,800	6,911	21.7%
Disposal Services	7,943	73,807	59,000	(14,807)	-25.1%
Security Services	2,171	9,305	29,500	20,195	68.5%
Insurance	27,579	277,440	378,000	100,560	26.6%
Financial Service Fees	4,531	26,965	55,000	28,035	51.0%
Printing & Reproduction	5,628	15,954	8,020	(7,934)	-98.9%
Advertising & Publicity Svcs	200	1,284	8,100	6,816	84.1%
Postage	277	673	11,620	10,947	94.2%
Public Relations/Education	5,368	54,951	49,000	(5,951)	-12.1%
Water Efficiency Services	1,329	9,550	100,000	90,450	90.4%
Licenses & Permits	5,874	111,291	200,500	89,209	44.5%
Software Maintenance/Licenses	24,533	119,388	240,900	121,512	50.4%
Electrical Power	106,750	1,400,478	1,786,000	385,522	21.6%
Natural Gas	20,149	22,503	4,500	(18,003)	-400.1%
Cable Service	1,157	5,929	9,000	3,071	34.1%
Telecommunications	5,215	21,571	20,000	(1,571)	-7.9%
Mobile Telecommunications	3,302	32,033	38,100	6,067	15.9%
Data Access	5,727	43,044	60,000	16,956	28.3%
Equipment Maintenance & Repair	27,496	100,758	139,000	38,242	27.5%
Pump Maintenance & Repair	8,215	115,842	142,000	26,158	18.4%
Motor Maintenance & Repair	8,554	26,003	91,000	64,997	71.4%
Electrical Maintenance/Repair	20,852	94,894	157,000	62,106	39.6%
Meter Maintenance & Repair	6,630	11,816	30,900	19,084	61.8%
Structure Maintenance & Repair	15,071	84,263	22,000	(62,263)	-283.0%
Asphalt Maintenance & Repair	10,479	111,114	110,600	(514)	-0.5%
Contracted/Purchased Services Sub-total	429,486	4,353,942	5,721,100	1,367,158	23.9%
Commodities					
Repair Parts & Materials	66,243	309,460	437,810	128,350	29.3%
Tools & Small Equipment	7,902	29,846	78,510	48,664	62.0%
Safety Equipment	969	8,603	25,010	16,407	65.6%
Employee Tools/Safety Equip	3,004	13,478	23,800	10,322	43.4%
Laboratory Tools & Small Equip	2,287	10,156	6,000	(4,156)	-69.3%
Technology Tools/Small Equip	6,531	12,209	46,000	33,791	73.5%
Chemicals	39,205	260,523	322,000	61,477	19.1%
Laboratory Chemicals	10,028	20,340	53,000	32,660	61.6%
Gasoline & Oil	-	108,971	140,000	31,029	22.2%
Operating Supplies/Accessories	18,595	50,149	34,760	(15,389)	-44.3%
Office Supplies & Accessories	613	12,031	21,170	9,139	43.2%
Technology Supplies/Components	-	17,433	36,000	18,567	51.6%
Lab Supplies & Accessories	255	13,124	22,000	8,876	40.3%
Meeting/Event Supplies & Food	2,124	21,597	46,540	24,943	53.6%
Water Use Efficiency Supplies	-	-	18,000	18,000	100.0%
Commodities Sub-total	157,756	887,920	1,310,600	422,680	32.3%

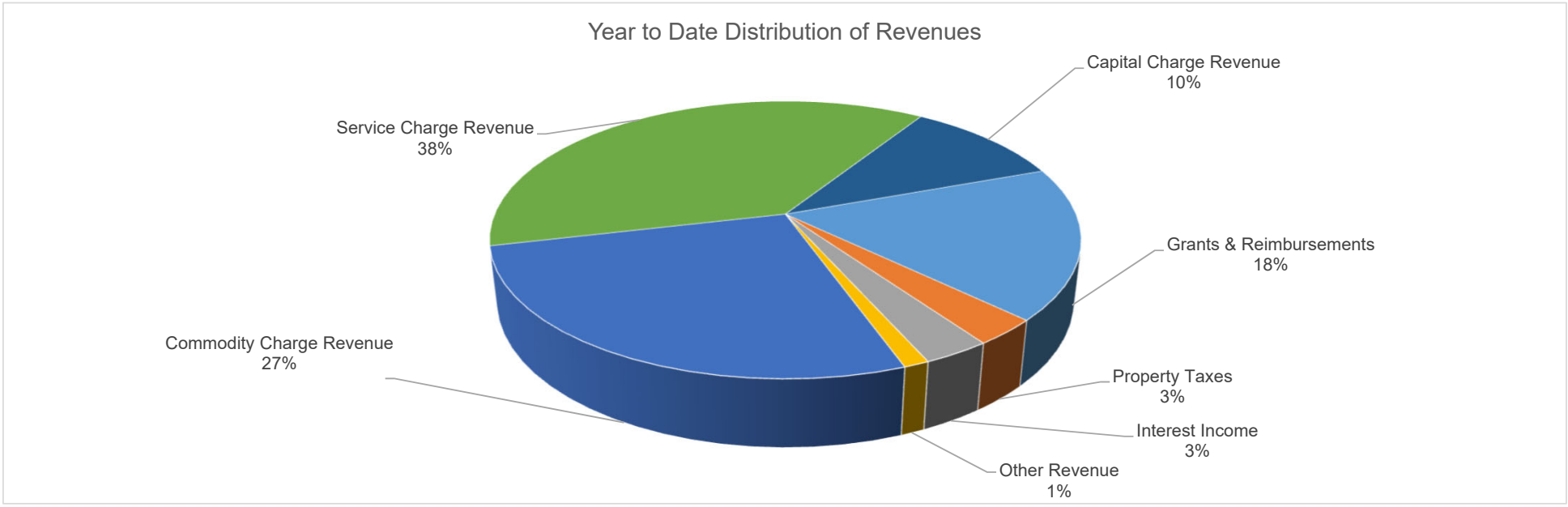
Summary of Revenues and Expenses for the Month of March, 2024

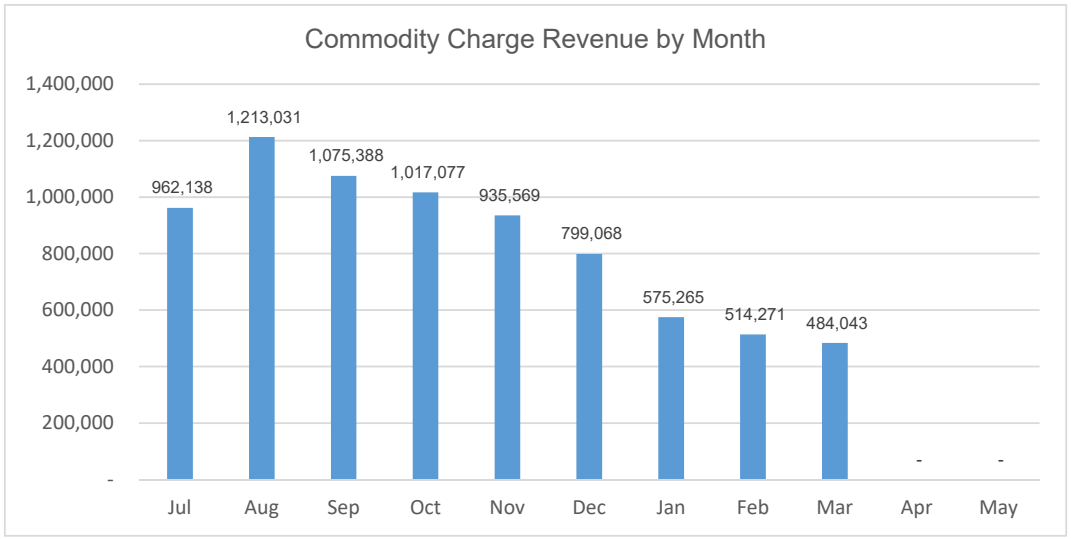
Account - Description	Month Actual	YTD Actual	2023-2024 Budgeted	Budget Remaining	% of Budget Remaining
Professional Development					
Education & Training	2,065	34,611	43,550	8,939	20.5%
Education/Training - Directors	-	-	1	1	100.0%
Licenses & Certifications	250	1,058	7,202	6,144	85.3%
Dues & Memberships	5,898	90,561	101,403	10,842	10.7%
Dues & Memberships - Directors	-	-	4	4	100.0%
Meetings & Conferences	-	7,355	36,705	29,350	80.0%
Meetings/Conferences-Directors	1,335	10,700	9,006	(1,694)	-18.8%
Travel Reimbursement	1,170	16,701	38,757	22,056	56.9%
Travel Reimbursement-Directors	(71)	10,602	35,008	24,406	69.7%
Publications & Subscriptions	20	1,246	2,009	763	38.0%
Professional Development Sub-total	10,667	172,834	273,645	100,811	36.8%
Miscellaneous Expenses					
Employee Appreciation Expenses	-	283	5,000	4,717	94.3%
Internal/External Event Expenses	-	10,611	8,000	(2,611)	-32.6%
Election Expense	-	-	-	-	N/A
Reimbursable Repair Expense	-	-	-	-	N/A
Property Taxes	-	2,499	10,000	7,501	75.0%
Uncollectible Accounts	-	(493)	17,000	17,493	102.9%
NSFs & Miscellaneous Fees	827	5,846	18,000	12,154	67.5%
Refund Overcharges	2,795	5,869	2,800	(3,069)	-109.6%
Damage/Repair Reimbursements	-	-	-	-	N/A
Miscellaneous Sub-total	3,622	24,615	60,800	36,185	59.5%
Sub Total - General and O&M Expanses	2,333,581	18,643,352	26,722,005	8,078,653	30.2%
Capital Improvement Expenses					
Water System Projects					
Supply/Storage Projects	14,040	3,016,219	69,314	(2,946,905)	N/A
Pumping Projects	-	2,128	39,000	36,872	94.5%
Main/Service Line Projects	-	-	-	-	N/A
Wastewater System Projects	-	-		-	N/A
Pumping Projects	-	-	39,000	39,000	100.0%
Wastewater Treatment Projects	-	312,581	414,836	102,255	24.6%
Main/Service Line Projects	-	-	-	-	N/A
Recycled System Projects	-			-	N/A
Pumping Projects	-	-	-	-	N/A
Tertiary Treatment Projects	-	-	-	-	N/A
Main/Service Line Projects	-	-	-	-	N/A
General Projects		-		-	N/A
Operating Equipment Purchases	-	-	-	-	N/A
Vehicle & Related Equipment Purchases	-	27,762	-	(27,762)	N/A
Technoloy Projects & Purchases	-	-	64,000	64,000	100.0%
Building & Structure Improvements	17,967	39,892	-	(39,892)	N/A
General Capital Projects	34,367	174,836	442,000	267,164	60.4%
Construction in Progress	-	(3,566,333)	-	(3,566,333)	N/A
Capital Improvement Expenses Sub-total	66,374	7,085	1,068,150	(6,071,601)	-568.4%
Other Expenses					
Retiree Health Insurance	26,705	222,999	300,000	77,001	25.7%
Depreciation	348,670	3,138,030	4,906,900	1,768,870	36.0%
Debt Interest Expense	406,348	1,629,294	1,928,200	298,906	15.5%
Other Expenses Sub-total	781,723	4,990,322	7,135,100	2,144,778	30.1%
Total Expenses	3,181,678	23,640,760	34,925,255	4,151,830	11.9%
Change in Net Position	(964,799)	4,564,054	1,581,045		

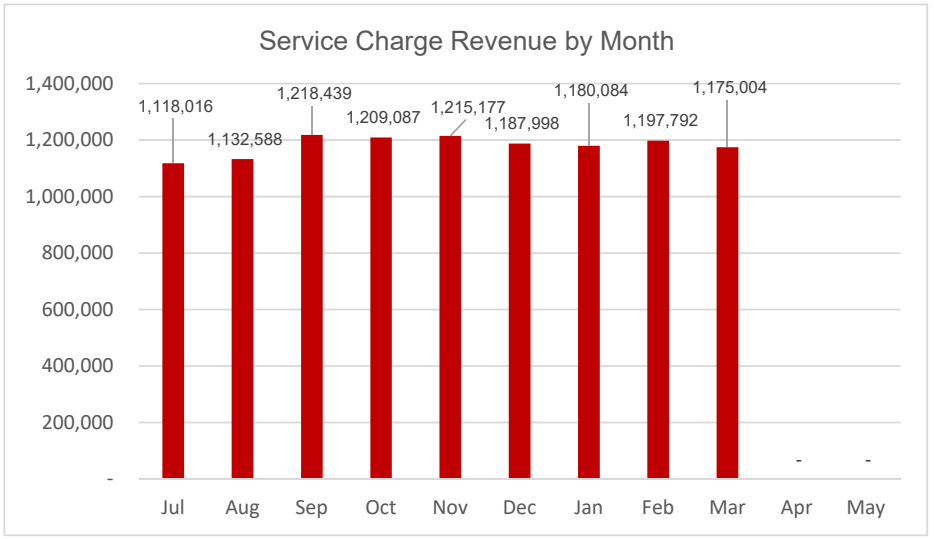
Attachment 5

Revenue and Expense Charts for March 31, 2024

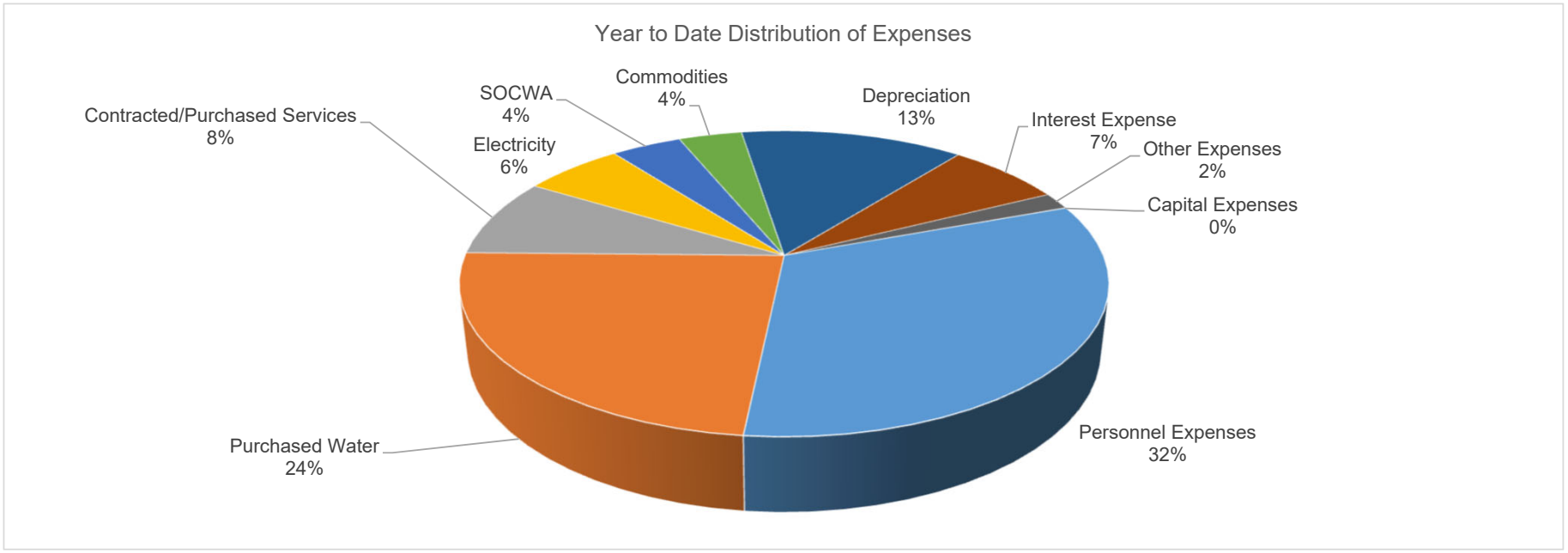
Revenue Charts -March Financial Report

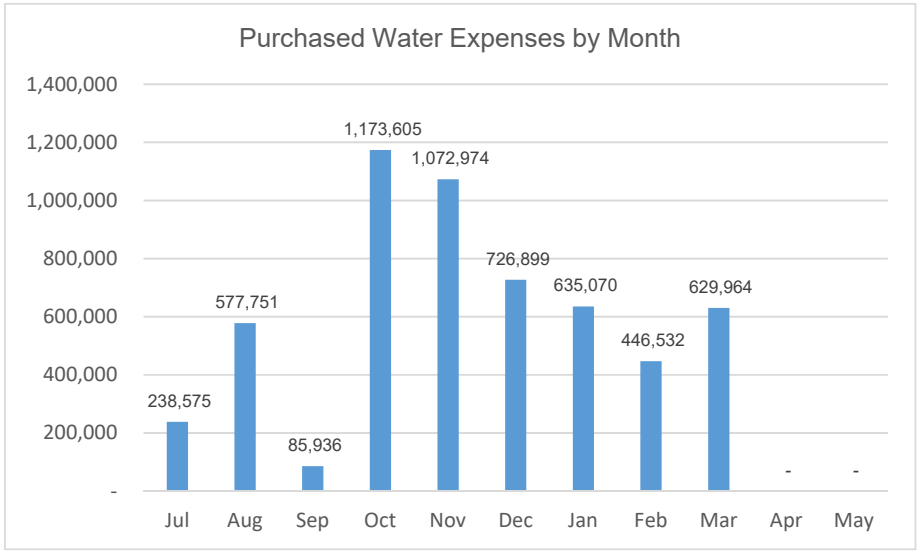


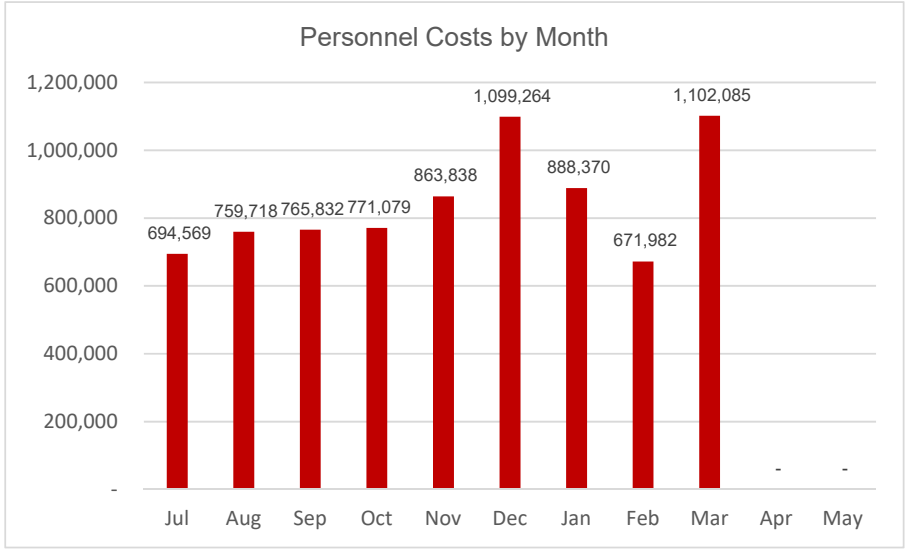




Expense Chart - March Financial Report







Attachment 6

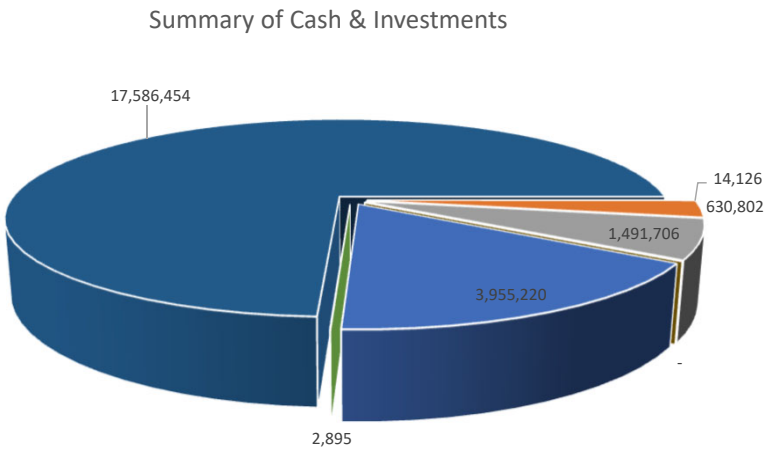
Summary of Cash & Investments at the end of March 31, 2024

Summary of Cash & Investments

as of March 31, 2024

Summary of Cash & Investments	
Cash & Equivalents	
Unrestricted - Cash & Equivalents	17,586,454
Unrestricted - Cash & Equivalents USB	673,246
Restricted - Cash & Equivalents	2,895
Investments	
Government Securities	3,955,220
Certificates of Deposit	-
Corporates Bonds/Notes	1,491,706
Asset Backed Securities	630,802
2022 Bond Money Market	14,126
Total Cash & Investments	24,354,450

Operating Cash & Investments	**24,337,429.16**
2022 Bond Proceeds Cash & Investments	**14,126.23**
Restricted - Cash & Equivalents	**2,894.70**



Cash & Equivalents

	Account Balance	Current Yield
Cash & Equivalents		
Demand Deposit Accounts		
US Bank - Checking Account	673,246	
US - Capital Facilities Checking	2,895	
US Bank - 2022 Bond Proceeds/Interest/Principal	14,126	
Petty Cash	700	
Money Market Accounts		
US Bank - Money Market Account	-	
CAMP Money Market	10,913,942	
LAIF Money Market	6,671,811	
Total Cash & Equivalents	18,276,721	

Investments

	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity Date
Governmental Securities									
United States Treasury Bond									
US Treasury N/B - AA+	164,807	165,000	(193)	161,984	(2,823)	0.375%	0.42%	9/3/2021	8/15/2024
US Treasury N/B - AA+	34,854	35,000	(146)	34,240	(614)	0.375%	0.52%	10/7/2021	9/15/2024
US Treasury N/B - AA+	347,047	350,000	(2,953)	339,281	(7,766)	1.125%	1.42%	2/4/2022	1/15/2025
US Treasury N/B - AA+	149,566	150,000	(434)	146,367	(3,199)	2.750%	2.85%	6/1/2022	5/15/2025
US Treasury N/B - AA+	466,543	500,000	(33,457)	474,609	8,066	2.125%	4.20%	11/30/2022	5/31/2026
US Treasury N/B - AA+	464,531	500,000	(35,469)	470,625	6,094	2.250%	4.10%	11/30/2022	2/15/2027
US Treasury N/B - AA+	480,273	500,000	(19,727)	482,891	2,617	3.250%	4.25%	2/22/2023	6/30/2027
US Treasury N/B - AA+	502,500	500,000	2,500	496,094	(6,406)	4.125%	4.01%	11/30/2022	9/30/2027
US Treasury N/B - AA+	497,930	500,000	(2,070)	496,094	(1,836)	4.125%	4.22%	2/22/2023	9/30/2027
US Treasury N/B - AA+	485,332	500,000	(14,668)	485,313	(20)	3.500%	4.16%	2/22/2023	1/3/2028
United States Treasury Bond - Totals	3,593,383	3,700,000	(106,617)	3,587,497	(5,886)				

Investments (Continue)

	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity Date
Supra-National Agency Bond / Note									
Inter-American Devel BK Note - AAA	184,863	185,000	(137)	180,771	(4,092)	0.500%	0.52%	9/15/2021	9/23/2024
Supra-National Agency Bond / Note Totals	184,863	185,000	(137)	180,771	(4,092)				
Municipal Bond / Note									
NJ TPK Authority TXBL Revenue Bonds - AA-	20,000	20,000	-	19,400	(600)	0.897%	0.90%	1/22/2021	1/1/2025
Municipal Bond / Note Totals	20,000	20,000	-	19,400	(600)				
Federal Agency Commercial Mortgage-Backed Security									
FHLMC Multifamily Structured Pool - AA+	80,282	80,176	106	79,385	(897)	3.064%	3.00%	5/25/2022	8/1/2024
FHMS K047 - AA+	90,577	90,000	577	88,167	(2,410)	3.329%	3.10%	5/19/2022	5/1/2025
Federal Mortgage-Backed Security Totals	170,859	170,176	683	167,552	(3,307)				
Governmental Securities - Total Balances	3,969,105	4,075,176	(106,071)	3,955,220	(13,884)				
Corporate Notes									
Suntrust Bank (Callable) Corp Note	63,197	60,000	3,197	59,982	(3,215)	3.200%	0.96%	11/1/2021	4/1/2024
Comcast Corp (Callable) Corp Note	53,305	50,000	3,305	49,940	(3,365)	3.700%	0.96%	11/1/2021	4/15/2024
Bank of NY Mellon Corp Note	54,941	55,000	(59)	54,810	(131)	0.500%	0.54%	4/19/2021	4/26/2024
Novartis Capital Corp Note	53,112	50,000	3,112	49,872	(3,240)	3.400%	0.89%	11/1/2021	5/6/2024
Amazon.com Inc Corp Note	79,883	80,000	(117)	79,531	(353)	0.450%	0.50%	5/10/2021	5/12/2024
Unitedhealth Group Inc Corp Note	29,969	30,000	(31)	29,813	(156)	0.550%	0.59%	5/17/2021	5/15/2024
Unitedhealth Group Inc Corp Note	29,476	30,000	(524)	29,813	337	0.550%	1.32%	1/21/2022	5/15/2024
Caterpiller Finl Service Corp Note	44,940	45,000	(60)	44,711	(228)	0.450%	0.50%	5/10/2021	5/17/2024
Astrazeneca Finance LLC (Callable) Corp	49,996	50,000	(5)	49,631	(364)	0.700%	0.70%	5/25/2021	5/28/2024
John Deere Capital Corp Notes	9,988	10,000	(13)	9,908	(80)	0.450%	0.49%	6/7/2021	6/7/2024
Target Corp Notes	31,879	30,000	1,879	29,833	(2,046)	3.500%	1.04%	11/23/2021	7/1/2024
American Express Co Corp Notes	36,253	35,000	1,253	34,662	(1,591)	2.500%	1.14%	11/19/2021	7/30/2024
American Honda Finance Corp Notes	29,980	30,000	(20)	29,512	(469)	0.750%	0.77%	9/7/2021	8/9/2024
American Honda Finance Corp Notes	35,025	35,000	25	34,430	(595)	0.750%	0.72%	9/13/2021	8/9/2024
Caterpillar Finl Service Corp Notes	19,973	20,000	(27)	19,563	(410)	0.600%	0.65%	9/7/2021	9/13/2024
Bank of NY Mellon Corp Note	24,984	25,000	(16)	24,322	(662)	0.850%	0.87%	10/20/2021	10/25/2024
Apple Inc Corp Note - AA+	42,786	40,000	2,786	39,198	(3,589)	2.750%	0.89%	3/11/2021	1/13/2025
Merck & Co Inc Corp Notes	21,389	20,000	1,389	19,576	(1,813)	2.750%	0.94%	3/9/2021	2/10/2025
3M Company Corp Note	69,744	70,000	(256)	67,780	(1,963)	2.000%	2.13%	3/3/2022	2/14/2025
Exon Mobil Corp Note	29,874	30,000	(126)	29,326	(548)	2.709%	2.86%	4/1/2022	3/6/2025
Intel Corp Notes	30,873	30,000	873	29,453	(1,420)	3.400%	2.40%	3/8/2022	3/25/2025
Burlington North Santa Fe Corp Note Call	21,533	20,000	1,533	19,558	(1,974)	3.000%	1.07%	3/5/2021	4/1/2025
Amazon.com Inc Corp Notes	74,881	75,000	(119)	73,342	(1,538)	3.000%	3.06%	4/11/2022	4/13/2025
Home Depot Inc Corp Note	4,991	5,000	(9)	4,865	(126)	2.700%	2.76%	3/24/2022	4/15/2025
Target Corp Note	30,015	30,000	15	29,162	(852)	2.250%	2.23%	3/8/2022	4/15/2025
Bank of America Corp Notes (Callable	70,000	70,000	-	69,733	(267)	0.976%	0.98%	4/16/2021	4/22/2025
Bank of NY Mellon Corp Note	46,148	45,000	1,148	43,300	(2,848)	1.600%	0.97%	3/10/2021	4/24/2025
Bank of NY Mellon Corp Note	19,997	20,000	(3)	19,589	(409)	3.350%	3.36%	4/19/2022	4/25/2025
Pepsico Inc Corp Note Call	21,400	20,000	1,400	19,488	(1,912)	2.750%	1.02%	3/5/2021	4/30/2025
Citigroup Inc Corp Notes	35,000	35,000	-	34,819	(181)	0.981%	0.98%	4/27/2021	5/1/2025
Suntrust Banks Inc Corp Notes	36,373	35,000	1,373	34,405	(1,968)	4.000%	2.69%	3/8/2022	5/1/2025
Charles Schwab Corp Note	40,616	40,000	616	39,337	(1,279)	3.850%	3.30%	6/1/2022	5/21/2025
Morgan Stanley Corp Notes (Callable)	10,000	10,000	-	9,899	(101)	0.790%	0.79%	5/26/2021	5/30/2025
Honeywell Intl Corp Note	20,360	20,000	360	19,157	(1,204)	1.350%	0.91%	3/5/2021	6/1/2025
JPMorgan Chase & Co Corp Note	25,000	25,000	-	24,781	(219)	0.824%	0.82%	5/24/2021	6/1/2025
National Rural Util Coop Corp Note	9,997	10,000	(3)	9,790	(207)	3.450%	3.46%	5/4/2022	6/15/2025
Intel Corp Notes	35,821	35,000	821	34,310	(1,511)	3.700%	2.95%	4/4/2022	7/29/2025
Citigroup Inc Corp Notes	20,000	20,000	-	19,457	(543)	1.281%	1.28%	10/27/2021	11/3/2025
State Street Corp Note	20,000	20,000	-	19,305	(695)	1.746%	1.75%	2/2/2022	2/6/2026
Citigroup Inc Corp Notes	15,000	15,000	-	14,633	(367)	3.290%	3.29%	3/10/2022	3/17/2022
State Street Corp Note	61,208	60,000	1,208	58,411	(2,797)	2.901%	2.38%	2/17/2022	3/30/2026
JPMorgan Chase & Co (Callable)	80,000	80,000	-	78,700	(1,300)	4.080%	4.08%	4/19/2022	4/26/2026
Corporate Bonds - Total Balances	1,539,905	1,515,000	24,905	1,491,706	(48,198)				

Investments (continued)

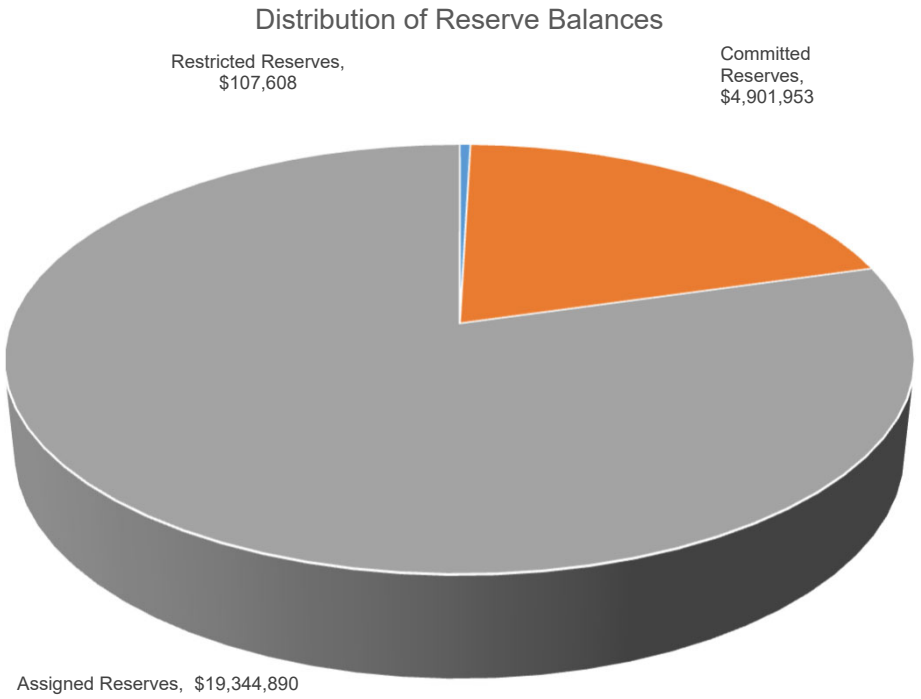
	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity Date
Asset Backed Securities									
Harot 2021 - Aaa	1,631	1,631	(0)	1,622	(9)	0.270%	0.27%	2/17/2021	4/21/2025
FordO 2021 - AAA	3,797	3,797	(0)	3,764	(32)	0.300%	0.30%	2/17/2021	8/15/2025
Harot 2021 - Aaa	8,568	8,568	(0)	8,460	(108)	0.330%	0.33%	5/18/2021	8/15/2025
GMCar 2021 - AAA	1,593	1,593	(0)	1,581	(12)	0.350%	0.35%	1/12/2021	10/16/2025
Harot 2021 - AAA	15,063	15,063	(0)	14,725	(338)	0.410%	0.41%	8/17/2021	11/18/2025
Carmx 2021 - AAA	2,581	2,582	(1)	2,548	(34)	0.340%	0.34%	1/20/2021	12/15/2025
Harot 2021 - Aaa	13,581	13,584	(3)	13,257	(324)	0.880%	0.89%	11/16/2021	1/21/2026
TAOT 2021 - AAA	16,766	16,766	(0)	16,327	(438)	0.710%	0.71%	11/9/2021	4/15/2026
Hart 2021 - AAA	10,642	10,644	(2)	10,409	(232)	0.740%	0.75%	11/9/2021	5/15/2026
Harot 2022 - AAA	35,705	35,711	(5)	34,891	(814)	1.880%	1.88%	2/15/2022	5/15/2026
FordO 2022 - AAA	14,927	14,929	(2)	14,577	(350)	1.290%	1.29%	1/19/2022	6/15/2026
BMWOT 2021 - AAA	19,855	19,856	(1)	19,559	(297)	3.210%	3.21%	5/10/2022	8/25/2026
COPAR 2021 - AAA	14,671	14,671	(0)	14,253	(418)	0.770%	0.77%	10/19/2021	9/15/2026
FordO 2022 - Aaa	22,351	22,352	(1)	22,071	(279)	3.740%	3.74%	6/22/2022	9/15/2026
TAOT 2022 - AAA	26,011	26,012	(1)	25,561	(450)	2.930%	2.93%	4/7/2022	9/15/2026
DCENT 2021 - AAA	54,988	55,000	(12)	53,781	(1,207)	0.580%	0.58%	9/20/2021	9/15/2026
GMCar 2021 - AAA	14,605	14,605	(0)	14,182	(423)	0.680%	0.68%	10/13/2021	9/16/2026
Hart 2022 - AAA	44,049	44,051	(2)	43,119	(930)	2.220%	2.22%	3/9/2022	10/15/2026
Allya 2022 - AAA	47,071	47,081	(9)	46,432	(639)	3.310%	3.31%	5/10/2022	11/15/2026
Comet 2021 - AAA	49,993	50,000	(7)	48,643	(1,350)	1.040%	1.04%	11/18/2021	11/15/2026
GMCar 2022 - AAA	13,731	13,732	(1)	13,366	(365)	1.260%	1.26%	1/11/2022	11/16/2026
HDMOT 2022 - AAA	25,039	25,044	(4)	24,634	27,968	3.060%	3.06%	4/12/2022	2/15/2027
GMCar 2022 - AAA	22,751	22,756	(5)	22,353	(398)	3.100%	3.10%	4/5/2022	2/16/2027
Carmx 2022 - AAA	29,081	29,085	(4)	28,639	(441)	3.490%	3.49%	4/21/2028	2/16/2027
Comet 2022 - AAA	69,995	70,000	(5)	68,333	(1,662)	2.800%	2.80%	3/23/2022	3/15/2027
Comet 2022 - AAA	64,990	65,000	(10)	63,716	(1,274)	3.490%	3.49%	6/6/2022	5/15/2027
Corporate Bonds - Total Balances	644,034	644,111	(78)	630,802	15,142				

Attachment 7

Cash Reserve Balances for March 31, 2024

El Toro Water District
Cash Reserve Status Report
as of March 31, 2024

	Cash Reserve Balances	Reserve Targets
Reconciled Cash Balance	**$ 24,354,451**	
Restricted Reserves		
2022 Revenue Bonds Fund	14,126	-
Capital Facilities Charge Reserve	93,482	-
Sub Total Restricted Reserve	**107,608**	-
Committed Reserves		
Capital Construction Reserve	1,975,455	3,000,000
Rate Stabilization Reserve	1,835,600	2,100,000
Operational Continuity Reserve	2,100,000	2,100,000
Working Capital Reserve	(1,009,102)	2,100,000
Sub Total Committed Reserves	**4,901,953**	**9,300,000**
Assigned Reserves		
CIP Reserves		
Capital Carryover	3,429,223	-
Accumulated Capital Reserve	1,200,454	-
CIP - Revenue Bond Unrestricted Reserve	8,623,130	-
SOCWA Capital Projects	3,554,851	-
Recycled Water Capital / Debt Service	(196,665)	
Capital Plan Working Capital Reserve(1)	1,236,788	
		-
Water Supply Program Reserves		
Tiered Conservation Fund	982,428	-
Debt Service Reserves		
Baker Debt Service	514,681	-
Sub Total Assigned Reserves	**19,344,890**	
Total Cash Reserves	**24,354,451**	
Adjusted Cash Reserves[2]	**24,246,843**	**9,300,000**



(1) Working Capital reserve has 23-24 Capital Plan - Working Capital

(2) The Adjusted Cash Reserves excludes the 2022 Bond Proceeds which are obligated to the projects identified in the 2022 Bond Official Statement and are therefore not available for Operations & Maintenance activities or the annual Capital Improvement Program.

Attachment 8

Capital Project Expense Report through March 31, 2024

2023-2024 Capital Program Budget Information

PM Task Code	Project Description	Funding Source	Account	Total Budget	2023 - 2024 Expenses										Remaining
					Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD Total	
RES-0047	R-6 Reservoir Cover (CIP23)	Revenue Bond	40-000-15003/CIP23	3,705,133.31	-	98,183.63	3,937,815.93	1,148,619.15	318,765.89	122,974.42	220,157.00	34,754.94	46,813.84	5,928,084.80	(2,222,951.49)
	R-6 Reservoir Cover Paving Project	Revenue Bond	40-000-15003/CIP23	1,000,000.00	-	-	4,435.00	1,950.00	-		944,384.77	81,365.24		1,032,135.01	(32,135.01)
WPS-0093	JTM Pump Station 32-093	Revenue Bond	CIP23	1,035,516.35	-	96,746.45	858.64					-		97,605.09	937,911.26
WPS-0094	P-1 Fence Alarm Replacement	Accumulated Capital Funds	40-000-15010	20,921.60	-	2,128.18		18,793.42				-		20,921.60	-
WRP-0134	Hach WIMS Implementation Project	Carryover	CCP	72,815.02	-	-	19,800.00	-				-		19,800.00	53,015.02
SPS-0049	Water and Sewer Master 31-049	Accumulated Capital Funds	40-000-15005	11,563.44	-	-	-	11,563.44				-		11,563.44	-
TCP-0001	Scada Server upgrade	Carryover	40-000-15040	32,500.00	-	-	-	18,941.39				-		18,941.39	13,558.61
GEN-0112	New Warehouse	Revenue Bond	40-000-15040	2,624,495.00	-	-	21,066.41	341,529.54		536,011.48	386,722.30	284,185.30	214,924.67	1,784,439.70	840,055.30
CAP-0063	Field Ops - Floor Covering	Carryover	40-830-66200	15,000.00	-	-	-	-	-			17,966.94		17,966.94	(2,966.94)
VEH-0010	23-24 Vehicle Purchases	FY 23/24 CIP	40-000-15040	125,000.00	-		-	-	-	-	-	-	-	-	125,000.00
VEH-0010	Boom Truck Purchase	Carryover	40-000-15040	25,000.00	-	25,000.00	-	-	-	-	-	-	-	25,000.00	-
VEH-0010	Boom Truck Purchase	Accumulated Capital Funds		41,810.20		2,762.00						-	39,048.20	41,810.20	-
SPS-0050	Asset Management Study 31-050	FY 22/23 and **23/24** CIP	40-840-55110	120,000.00	-	15,527.50	-	-	42,332.50	-	35,634.03	-	20,107.03	113,601.06	6,398.94
SPS-0053	System Arc Flash Coord Study	FY 23/24 CIP	40-840-55110	180,000.00	-	-	-	-	-	7,013.86	27,555.00	16,449.42	14,260.00	65,278.28	114,721.72
CAP-0054	23-24 ATS Replacements	**FY 23/24 CIP** and Carryover	40-000-15040	32,000.00	-	-	-	-	-	-	-	-	-	-	32,000.00
CAP-0054	23-24 ATS Replacements	FY 23/24 CIP and **Carryover**	40-000-15040	30,000.00	-	-	-	-	-	-	-	-	-	-	30,000.00
CAP-0051	23-24 Sewer PLC Upgrade	Carryover	40-000-15040	118,294.65	-	-	-	-	-	-	-	-	-	-	118,294.65
CAP-0053	Sewer Station HMI Rplmnt	FY 23/24 CIP	40-000-15020	14,000.00	-	-	-	-	-	-	-	-	-	-	14,000.00
RCE-0010	23-24 JRWSS Capital Budget	FY 23/24 CIP	40-710-66230	13,114.00	-	-	-	235.42	-	321.78	-	335.15	-	892.35	12,221.65
RCE-0011	23-24 Baker WTP Capital Fund	FY 23/24 CIP	40-710-66230	56,200.00	-	-	-	-	-	14,040.25	-	-	14,040.25	28,080.50	28,119.50
TCP-0007	Core Switch Replacement	FY 23/24 CIP	40-000-15040	63,000.00	20,389.40	-	20,389.40	-	-	-	-	-	-	40,778.80	22,221.20
TCP-0006	23-24 Security System Imprmnts	FY 23/24 CIP	40-000-15040	50,000.00	-	-	-	-	-	-	-	-	-	-	50,000.00
TCP-0008	EOC Technology Upgrade	FY 23/24 CIP	40-820-66120	16,000.00	-	-	-	-	-	-	-	-	-	-	16,000.00
TCP-0003	IT Master Plan	Carryover	40-000-15040	80,000.00	-	-	-	-	-	-	-	1,786.25	701.25	2,487.50	77,512.50
RCE-0012	23-24 SOCWA Capital Expenses	FY 23/24 CIP	40-750-66230	414,836.00	103,898.00	-	-	-	131,789.00	-	-	34,126.00	-	269,813.00	145,023.00
WRP-0136	DAF Unit #2 Rehab 933-136	FY 22/23 and **23/24** CIP and Ca	40-000-15020	18,641.00	-	-	-	-	-	-	-	-	-	-	18,641.00
WRP-0136	DAF Unit #2 Rehab 933-136	FY 22/23 and 23/24 CIP and **Ca**	40-000-15020	139,558.08	-	-	-	-	-	-	98,321.88	37,715.00	1,885.75	137,922.63	1,635.45
SLS-0117	Mathis LS Influent Drop Piping	Accumulated Capital Funds	40-000-15020	24,327.91	-		14,553.00		6,481.25	-	2,867.77	425.89	-	24,327.91	-
SLS-0118	Surcharge CAP Repair - Goudy	FY 23/24 CIP	40-000-15020	52,000.00	-	-	-	-	-	-	-	-	-	-	52,000.00
SLS-0119	Northline Coating Impr Project	FY 23/24 CIP	40-000-15020	91,000.00	-	-	-	-	-	-	-	-	862.50	862.50	90,137.50
SLS-0120	Freeway Electrical Equip Repl	FY 23/24 CIP	40-000-15020	110,000.00	-	-	-	-	-	-	-	-	-	-	110,000.00
WRP-0131	Grit Chamber Rehab 933-131	FY 23/24 CIP, Revenue Bond, a	40-000-15020	65,159.65	-	49,756.88	-	13,678.99	-	486.60	-	-	1,187.92	65,110.39	49.26
	New MCC S-D Electrical Cabinet & Breake	Carryover	40-000-15020	30,000.00					-			-		-	30,000.00
CAP-0061	WRP Main Electrical Power Breaker Upgra	Carryover	40-750-66230	23,922.68					-			-		-	23,922.68
WRP-0132	WRP Effluent Pump Station Rehab	Accumulated Capital Funds	40-000-15020	112,431.37					98,314.37	9,117.00		-	5,000.00	112,431.37	-
WRP-0137	Tertiary Disinfection Optimization	Recycle Capital Projects	40-000-15030	32,541.77	-	-	4,346.11	-	6,693.75	-	-	12,611.91	8,890.00	32,541.77	-
WRP-0142	Headworks and Secondary Clarifier No. 1 F	FY 23/24 CIP, **Revenue Bond**, a	40-000-15020	2,351,000.00	-	-	-	-	-	-	-	-	-	-	2,351,000.00
WRP-0142	Headworks and Secondary Clarifier No. 1 F	FY 23/24 CIP, Revenue Bond, a	40-000-15020	694,014.20	-	-	-	-	-	-	-	19,473.63	81,503.81	100,977.44	593,036.76
RES-0015	R-4 Exterior Recoating	FY 23/24 CIP	40-000-15010	35,100.00	-	-	-	-	-	-	-	-	3,150.00	3,150.00	31,950.00
CAP-0024	P-4 Pump Replacement	Carryover	40-000-15010	59,000.00	-	-	-	-	-	-	-	-	-	-	59,000.00
RES-0016	Moulton/El Toro Cathodic Protection Repair	Carryover	40-000-15010	100,000.00	-	-	-	-	3,875.00	-	-	-	-	3,875.00	96,125.00
RES-0017	SRV-2 Lid Repair	FY 23/24 CIP	40-000-15010	33,000.00	-	-	-	-	-	-	-	-	-	-	33,000.00
RES-0018	R-6 Security Improvements	FY 23/24 CIP	40-000-15010	84,000.00	-	-	-	-	-	-	-	32,064.23	-	32,064.23	51,935.77
WPS-0095	P-3 Pump Station Rehab	Carryover	40-000-15010	200,000.00	-	-	-	-	-	-	-	-	-	-	200,000.00
SLS-0115	Aliso Creek Pump Rehab 932-115	**FY 23/24 CIP** and Carryover	40-000-15020	468,901.00	-	-	-	-	-	-	-	-	-	-	468,901.00
SLS-0115	Aliso Creek Pump Rehab 932-115	FY 23/24 CIP and **Carryover**	40-000-15020	602,953.14	-	-	-	-	-	-	-	18,466.50	51,184.50	69,651.00	533,302.14
CAP-0050	23-24 Water PLC Upgrade	Carryover	40-000-15040	76,733.68	-	-	-	-	-	-	-	-	-	-	76,733.68
CAP-0052	Water Station HMI Rplmnt	FY 23/24 CIP	40-720-66120	14,000.00	-	-	-	-	-	-	-	-	-	-	14,000.00
WRP-0140	ETM Backflow Prevention Project	Recycle Capital Projects	40-000-15030	205,018.50			167,959.50	21,283.00	8,473.00	7,303.00		-		205,018.50	-
CAP-0055	Lab HVAC Unit	Accumulated Capital Funds	40-750-66120	13,668.00		13,668.00						-		13,668.00	-
RCE-0141	RWST Center Vent Replacement	Recycle Capital Projects	40-000-15030	1,105.55	-	-	-	-	-	-	1,105.55	-	-	1,105.55	-
CAP-0003	4920 Siphon Project	Accumulated Capital Funds	40-000-15020	2,126.00							2,126.00	-		2,126.00	-
SPS-0054	Lead Copper Rule Revision	Accumulated Capital Funds	40-000-15010	43,699.00							43,699.00	-		43,699.00	-
WRP-0143	New Turbo Blower	Accumulated Capital Funds	40-000-15020	-										-	-
CAP-0064	Recycled Station HMI Rplmnt	Recycle Capital Projects	40-000-15030	-								-		-	-
GEN-0514	CalTrans I-5 Widening	Carryover	40-000-15040	38,400.00								-	38,400.00	38,400.00	-
			Total	**15,619,501.10**	**124,287.40**	**303,772.64**	**4,191,223.99**	**1,576,594.35**	**616,724.76**	**697,268.39**	**1,762,573.30**	**591,726.40**	**541,959.72**	**10,406,130.95**	**5,213,370.15**
RES-0047	R-6 Reservoir Cover (CIP23)/Cost Covered	Revenue Bond	40-000-15003/CIP23	5,750,718.49	-	54,001.00	2,165,798.76	631,740.53	175,321.24	67,635.93	121,086.35	19,115.22	25,747.61	3,260,446.64	2,490,271.85
			Gross project cost	21,370,219.59	124,287.40	357,773.64	6,357,022.75	2,208,334.88	792,046.00	764,904.32	1,883,659.65	610,841.62	567,707.33	13,666,577.59	7,703,642.00
			Bond 2022 Restricted Funds	4,705,133.31	-	98,183.63	3,942,250.93	1,150,569.15	318,765.89	122,974.42	1,164,541.77	116,120.18	46,813.84	6,960,219.81	(2,255,086.50)
			Bond CIP Unrestricted Funds	6,011,011.35	-	96,746.45	21,925.05	341,529.54	-	536,011.48	386,722.30	284,185.30	214,924.67	1,882,044.79	4,128,966.56
			2023-24 CIP Budget	1,575,956.00	20,389.40	15,527.50	20,389.40	235.42	42,332.50	21,375.89	63,189.03	48,848.80	52,419.78	284,707.72	1,291,248.28
			SOCWA	414,836.00	103,898.00	-	-	-	131,789.00	-	-	34,126.00	-	269,813.00	145,023.00
			Carryover Project Fund	2,403,351.10	-	74,756.88	19,800.00	32,620.38	3,875.00	486.60	98,321.88	95,408.32	174,863.23	500,132.29	1,903,218.81
			Accumulated Capital Funds	270,547.52	-	18,558.18	14,553.00	30,356.86	104,795.62	9,117.00	48,692.77	425.89	44,048.20	270,547.52	-
			Recycle Capital Projects	238,665.82	-	-	172,305.61	21,283.00	15,166.75	7,303.00	1,105.55	12,611.91	8,890.00	238,665.82	-
				15,619,501.10	124,287.40	303,772.64	4,191,223.99	1,576,594.35	616,724.76	697,268.39	1,762,573.30	591,726.40	541,959.72	10,406,130.95	5,213,370.15

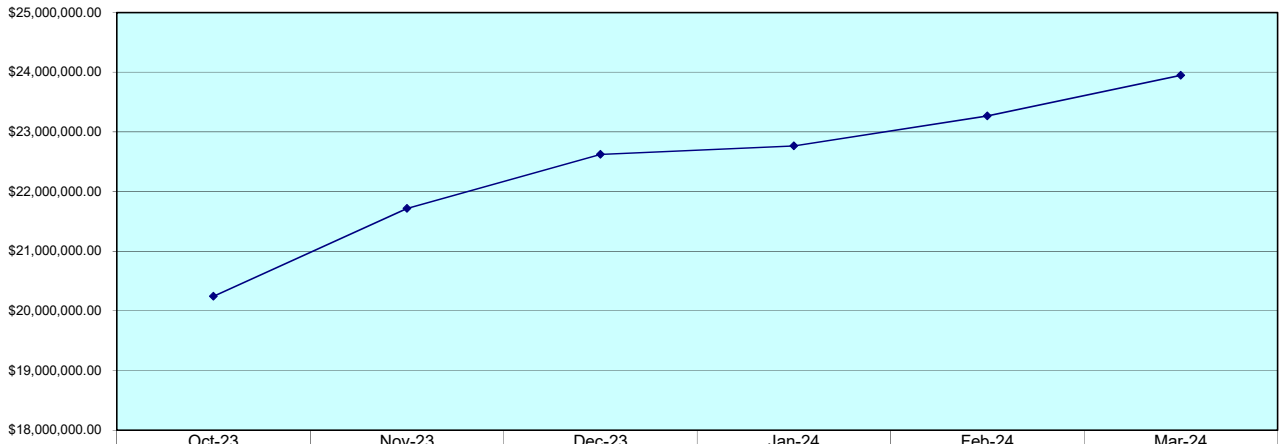
Attachment 9

Interim Report on 401k Plan Holdings
As of March 31, 2024

EL TORO WATER DISTRICT

401K PLAN SUMMARY

401K PLAN MARKET VALUE



MARKET VALUE SUMMARY

	Under 40 yrs. Old	40 to 44 yrs. Old	45 to 49 yrs. Old	50 to 54 yrs. Old	55 to 59 yrs. Old	60 to 64 yrs. Old	Over 65 yrs. Old
Balance at June 30, 2023	$1,453,468.56	$2,095,353.59	$1,103,519.44	$2,887,912.79	$7,733,640.95	$3,735,784.96	$2,508,682.94
	Under 41 yrs. Old	**41 to 48 yrs. Old**	**49 to 55 yrs. Old**	**56 to 58 yrs. Old**	**59 to 62 yrs. Old**	**63 to 65 yrs. Old**	**Over 65 yrs. Old**
Balance at March 31, 2024	$1,905,085.12	$3,330,374.85	$3,566,627.24	$4,866,274.15	$3,912,708.12	$3,720,017.72	$2,647,441.52

Disrict Staff is working with Highmark and Empower to design a new 401k report. Once the data for the portfolios is being generated by Empower, the District portfolio information by age group will be updated.

Investments	Beginning Balance	Contributions	Withdrawls	Interest, Dividends and Appreciation Net of Fees & Charges	Ending Balance
American Beacon AHL Mgd Futs Strat A	708,908.78	3,355.86	0.00	20,931.59	733,196.23
BlackRock Tactical Opportunities K	237,843.33	1,396.41	0.00	1,951.03	241,190.77
Columbia Contrarian Core Inst I 3	1,922,569.63	13,298.39	0.00	33,764.09	1 969,632.11
Delaware Small Cap Core R6	664,544.01	4,312.50	0.00	36,472.95	705,329.46
DFA Large Cap International I	1,191,661.15	8,655.70	0.00	35,614.90	1 235,931.75
Dodge & Cox Income - I	2,873,126.32	13,764.35	0.00	(10,926.76)	2 875,965.91
Dodge & Cox International Stock - I	275,883.29	2,155.41	0.00	26,379.83	304,418.53
Dodge & Cox Stock - I	989,980.74	7,179.70	0.00	69,980.58	1 067,141.02
DoubleLine Core Fixed Income R6	2,741,378.44	13,230.34	0.00	(4,251.48)	2 750,357.30
Emerald Growth Institutional	420,925.59	3,329.22	0.00	2,375.05	426,629.86
Guaranteed Income Fund	739,032.93	3,676.90	0.00	(9,134.37)	733,475.46
Harbor Capital Appreciation Retirement	860,391.81	6,622.50	0.00	9,921.71	876,936.02
MFS International Growth R6	287,899.09	2,155.41	0.00	15,890.68	305,945.18
Nuveen Real Estate Securities R6	777,149.59	4,166.59	0.00	13,396.77	794,712.95
PGIM Total Return Bond R6	2,345,965.08	10,728.86	0.00	(16,817.29)	2 340,876.65
PIMCO Income Instl	312,358.10	1,712.97	0.00	4,864.61	318,935.68
PIMCO RAE US Instl	1,032,841.17	7,179.70	0.00	61,291.44	1 101,312.31
The Merger Fund I	226,266.72	1,396.41	0.00	3,270.43	230,933.56
Undiscovered Mgrs Behavioral Value R6	394,414.56	3,329.22	0.00	30,541.28	428,285.06
Vanguard Emerging Mkts Stock Idx Adm	523,251.13	3,950.09	0.00	19,216.73	546,417.95
Vanguard Growth & Income Adm	1,974,084.15	13,299.43	0.00	36,131.59	2 023,515.17
Vanguard Growth Index Adm	901,659.71	5,676.89	0.00	(3,673.86)	903,662.74
Vanguard Long-Term Investment-Grade Adm	780,830.31	3,772.45	0.00	1,913.56	786,516.32
Vanguard Mid Cap Index Fund - Admiral	237,855.64	1,396.41	0.00	7,958.68	247,210.73
Grand Total	23,420,823.27	139,641.71	0.00	388,063.74	23,948,528.72

MINUTES OF THE REGULAR MEETING
& OF THE
ENGINEERING COMMITTEE MEETING

March 25, 2024

At approximately 7:50 a.m. Director Freshley called the Engineering Committee meeting to order.

Committee Members MARK MONIN, MIKE GASKINS, KAY HAVENS, KATHRYN FRESHLEY, and FRED ADJARIAN participated.

Also participating were DENNIS P. CAFFERTY, General Manager, HANNAH FORD, Director of Engineering, RORY HARNISCH, Senior Engineer, SCOTT HOPKINS, Operations Superintendent, GILBERT J. GRANITO, General Counsel, MIKE MIAZGA, IT Manager (Zoom), SHERRI SEITZ, Public Affairs Manager (Zoom), VICKI TANIOUS, Senior Accountant/Payroll, (Zoom), CAROL MOORE, Laguna Woods City Council Member (Zoom), and POLLY WELSCH, Recording Secretary.

Consent Calendar

Director Freshley asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Havens to approve the Consent Calendar.

Roll Call Vote:

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Engineering Action Items

Grit Chamber Rehabilitation

Mr. Harnisch stated that this process at the Water Recycling Plant (WRP) has been offline since early 2021; the District originally hired SS Mechanical for a project to expose concrete aggregate, failed coatings, and corroded aluminum supports for grating in the Grit Chamber. He further stated that the District suspended the contract with SS Mechanical to address additional modifications to improve mechanical and electrical efficiency of the system.

Mr. Harnisch stated that SS mechanical had not made significant progress other than the purchase of a slide gate, which the District paid for. He further stated that the District hired Carollo Engineers to design the additional scope to include low pressure air piping, airlift pumps, grit piping, relocation of an existing local control panel, installation of a new variable frequency drive unit with panel, and refurbishment of the existing blower.

Mr. Harnisch stated that seven contractors were invited to bid the project, and none proposed. He further stated that staff then contacted three additional contractors and re-bid the project in December 2023. Staff opened one bid on March 13th from Kingmen Construction for $814,900.

Director Freshley asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Havens to approve the Consent Calendar.

Roll Call Vote:

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Sewer Manhole Rehabilitation Project

Mr. Cafferty stated that during regular inspections of the collection system, staff identified seven manholes in need of rehabilitation. He further stated that due to exposure to the corrosive environment generated by wastewater, the condition of the manholes has deteriorated over time.

Mr. Cafferty stated that the District requested proposals from two contractors: Sancon Technologies, Inc. and Zebron Contracting, Inc. He further stated that Zebron was almost three times the cost of Sancon's proposal.

Mr. Cafferty stated that Sancon is confident in their ability to execute the project, and staff recommends awarding the contract to Sancon.

Director Freshley asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Havens to approve the Consent Calendar.

Roll Call Vote:

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Engineering Information Items

Asset Management Plan Digital Dashboard Demonstration

Ms. Ford gave a presentation of the WRP Asset Management Plan Digital Dashboard.

ETWD Operations Report

Mr. Cafferty stated that staff has made significant progress on the valve turning on a weekly basis.

Director Freshley asked how difficult it is to get to these valves. Mr. Hopkins replied that some are in the street and sometimes blocked by parked vehicles.

Capital Projects Status Report

R-6 Reservoir Floating Cover and Liner Replacement Project

Ms. Ford stated that staff is refilling the R-6 Reservoir this month as MET reduces the contribution of State Water Project water to the Diemer Water Treatment Plant thereby reducing the concentration of Trihalomethanes in the treated water supply. She further stated that staff aims to complete the fill in time for the Allen-McColloch Pipeline shutdown on April 5th.

New Warehouse

Mr. Harnisch stated that the contractor, Dumarc Corporation, resumed work inside the building with electrical lighting, interior sheathing, exhaust fan, window trim, and soffit installation. He further stated that staff is coordinating with the Air Quality Management District and their contractor to install a concrete pad, electrical duct bank, and equipment.

Mathis Lift Station Inlet Piping Improvement Project

Mr. Harnisch stated that the contractor, Tunnel Works Service, Inc., installed the cured-in-place pipe lining in the influent sewer pipeline of the Mathis Lift Station in February. He further stated that they will return to install a sewage collection bowl with drop pipe at the upper inlet penetration and plug the lower inlet penetration of the wet well at the end of March.

Northline Coating Improvement Project

Mr. Harnisch stated that the contractor, MC Painting, Inc., repaired the concrete behind the previous liner at each hatch location and at the entrance structure to the Northline Lift Station wet well. He further stated that staff rented a bypass pump in order for the contractor to perform the work in the entrance structure, and the contractor is scheduled to complete the final repairs by the end of March.

Aliso Creek Lift Station Alternatives Analysis

Mr. Harnisch stated that Tetra Tech discussed the flow monitoring study results and comments on the draft report with staff, and is now working to finalize the report for submission in April.

Headworks and Secondary Clarifier No. 1 Rehabilitation Project

Ms. Ford stated that staff met with Carollo Engineers, Inc. (Carollo) to discuss the polymer system, electrical design, controls, and construction sequencing, and Carollo will submit the second part of the Basis of Design Report by the end of the month. She further stated that staff finalized a test plan for full scale polymer addition upstream of Dissolved Air Floatation and plans a 6-week pilot test upon receipt of the free unit from the vendor.

Tertiary Disinfection Optimization Project

Ms. Ford stated that the Division of Drinking Water (DDW) received the tracer study findings and plans to return comments in early April. She further stated that, following acceptance of the DDW findings, Trussell Technologies, Inc. will finalize the proposal to lower the free chlorine concentration times and submit to DDW for review and approval.

System Wide Arc Flash and Coordination Study

Ms. Ford provided an overview of the three types of projects the System Wide Arc Flash and Coordination Study recommended for inclusion in the CIP. Ms. Ford further stated that the 10-year CIP will focus on the Priority 1 projects that provide adequate protective devices in the electrical system to improve life safety. Ms. Ford noted that District staff will address Priority 2 and 3 projects, which address adequate working space and clearance around electrical, when possible.

Energy Efficiency Analysis

Ms. Ford stated that staff has been working with InPipe Energy on implementation of an energy recovery system at the Main Pressure Reducing station. She further stated that she included an isometric sketch of the proposed HydroXS turbine which would be located in lieu of one of the four parallel pressure reducing valves at the Main Pressure Reducing station. Ms. Ford noted that initial costs for the system are approximately $200,000 with a projected payback of 8 years.

Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

Comments Regarding Non-Agenda Engineering Committee Items

Director Adjarian handed out a presentation he provided to UCI Water Initiative in 2017 on Water Infrastructure: California's Aging Lifeline.

Adjournment

There being no further business, the Engineering Committee meeting was adjourned at approximately 9:13 a.m.

Regular Session

Attorney Report

Mr. Granito report that there is no need for a Closed Session today, and as such Regular Session continued.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:13 a.m.

Respectfully submitted,

_____
POLLY WELSCH
Recording Secretary

APPROVED:

_____
MARK MONIN, President
of the El Toro Water District and the
Board of Directors thereof

_____
DENNIS P. CAFFERTY, Secretary
of the El Toro Water District and the
Board of Directors thereof

Agenda Item No. 9

STAFF REPORT

To:	**Board of Directors**	**Meeting Date: April 22, 2024**
From:	**Hannah Ford, Director of Engineering**	
Subject:	**Lead and Copper Rule Revision Compliance Assistance Program – Phase 2**	

BACKGROUND

The United States Environmental Protection Agency published the Lead and Copper Rule Revision (LCRR) in 2021. LCRR requires the District to develop a service line material inventory for all service lines – regardless of ownership (i.e., public and private) or intended use (i.e., active and inactive). To assist its member agencies, Municipal Water District of Orange County (MWDOC) hired Hazen and Sawyer (Hazen) to provide a choice based LCRR compliance assistance program. The District is near completion with inventory development; results are shown in Figure 1. Based on a thorough review of as-builts and geographic information system data, the majority of the District's service lines materials are not known. Of a total of 12,929 service lines, 1,533 are non-lead and 11,396 are not known.

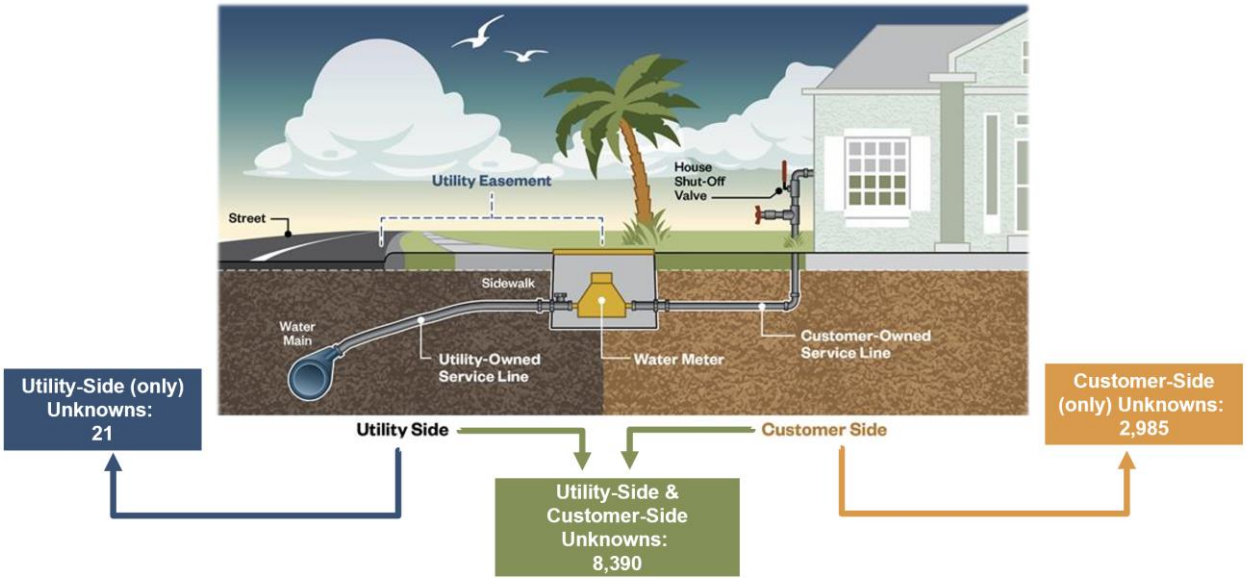


Figure 1 – LCRR Task Flow Chart

Inventory development is the first step in a multi-phased process to phase out lead service lines, as shown in Figure 2. Now, the District needs to begin Phase 2 to field verify its unknown materials. Hazen worked with DDW to reduce the number of field verifications down to a total of 1,047, which represents all 21 of its utility-side only unknowns and a stratified random sampling of 1,026 of its customer side unknowns. To complete the field verifications by the end of July 2024, the District will leverage in-house staff from three Departments. In parallel, Hazen's subcontractor will perform excavations at 20 percent of the field verification sites to confirm that underground materials match aboveground. Hazen will provide training to District staff prior to field investigation commencement. In addition, Hazen will compile all of the results from District staff and its subcontractor and submit to the Division of Drinking Water (DDW) prior to the October 16, 2024 deadline.

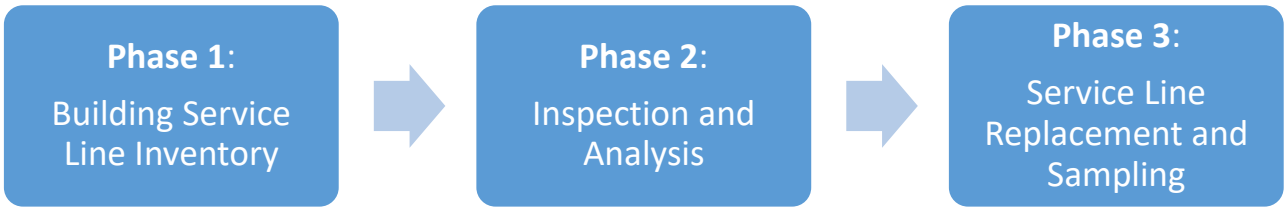


Figure 2 – LCRR Task Flow Chart

Although this effort is not budgeted until next Fiscal Year's CIP, District staff recommend amending Hazen's contract now to ensure compliance by the October deadline. Because at least 10 agencies have joined the agreement, Hazen has offered a bulk discount for some tasks, allowing for the District to benefit from economies of scale. After reviewing scope of work with MWDOC and Hazen, District staff determined the appropriate level of effort for Phase 2 will cost an additional $51,209. The Board previously approved Phase 1 costs not-to-exceed $100,000; actual Phase 1 costs amounted to only $87,398. Total cost for Phase 1 and 2 is $138,607, as summarized in Table 1.

Table 1 - Lead and Copper Rule Revision Compliance Assistance Program Costs

Task	Cost	Cost Savings	Net Cost
Phase 1			
Project Administration and Progress Reporting	$26,830	$10,732	$16,098
Data Gathering, Record, and Historical Code Review	$22,475	$4,495	$17,980
Develop Initial Lead Service Line Inventory	$36,510	$7,302	$29,208
Develop Approach for Alternative Material Verification Methods and Submit to DDW for Approval	$16,640	$4,160	$12,480
Apply DDW Approved Alternative Verification Methods	$5,800		$5,800
Assistance with Data Analysis	$6,480	$648	$5,832
Subtotal	**$114,735**	**$27,337**	**$87,398**
Phase 2			
Field App/Training/QC Review	$30,460	-	$30,460
Field Inspection Personnel for Field Excavations	$15,879	-	$15,879
Populate Final Inventory and Submit	$4,870	-	$4,870
Subtotal	**$51,209**	**$0**	**$51,209**
Total	**$165,944**	**$27,337**	**$138,607**

The District does not expect to find any lead in its distribution system. However, if any lead is found, Phase 3 may cost an additional consulting fee of approximately $50,000 for customer communications and development of a lead service line replacement plan.

RECOMMENDATION

Recommended Action:

Staff recommends that the Board of Directors authorize the General Manager to amend the existing cost sharing agreement with the Municipal Water District of Orange County in the amount of $51,209 for Phase 2 engineering services from Hazen and Sawyer as part of its Lead and Copper Rules Revision compliance assistance program.

Agenda Item No. 10

STAFF REPORT

To: Board of Directors **Meeting Date: April 22, 2024**

From: Hannah Ford, Director of Engineering

Subject: Resolution No. 24-1-1 Authority to Apply for, Receive, Enter into a Cooperative Agreement, and Administer a Grant for the Integrated Climate Adaptation and Resiliency Program (ICARP) Adaptation Planning Grant Program (APGP)

BACKGROUND

In 2021, the District conducted a study to evaluate further expanding its non-potable recycled water system. Expansion costs were high, at approximately $1,580 per AFY in 2021 dollars. Further, non-potable recycled water carries additional complications of restricted use, seasonal demands, and potential for salinity increases that may require additional treatment. After presenting these findings at the November 2021 Board meeting, District staff started exploring opportunities for grant funding to study how to access potable reuse as a source of supply. Due to the District's lack of an environmental buffer that would provide over two months of retention, its potable reuse options are limited to treated water augmentation, a form of direct potable reuse (DPR), as shown in Figure 1.

SOURCES OF SUPPLY

Currently, the District relies entirely on imported supplies, conveyed directly from Metropolitan Water District of Southern California (MWD) or from the Baker Water Treatment Plant, to meet its potable water demands. The District owns and operates a Water Recycling Plant (WRP) that produces high quality secondary effluent, a portion [average of 1.1 million gallons per day (mgd)] of which is further treated at the Tertiary Treatment Plant (TTP) for non-potable reuse. Demand for non-potable reuse fluctuates diurnally and seasonally, so the majority (average of 2.5 mgd) of the secondary effluent requires disposal to the Aliso Creek Ocean Outfall.

Adjacent to the WRP, Veeh Lakes collect urban runoff from the Newport Bay Watershed. Additionally, the majority of the ETWD service area resides within the Aliso Creek Watershed. Unnatural levels of dry and wet weather runoff in these watersheds can alter flow regimes, impair water quality, and cause stream erosion and minor flooding. Runoff capture has the potential to mitigate these issues while also improving ecosystem health and water quality. The volume, cost, and feasibility of capturing this source of supply needs to be quantified through a Regional Potable Reuse Implementation Plan (Plan).

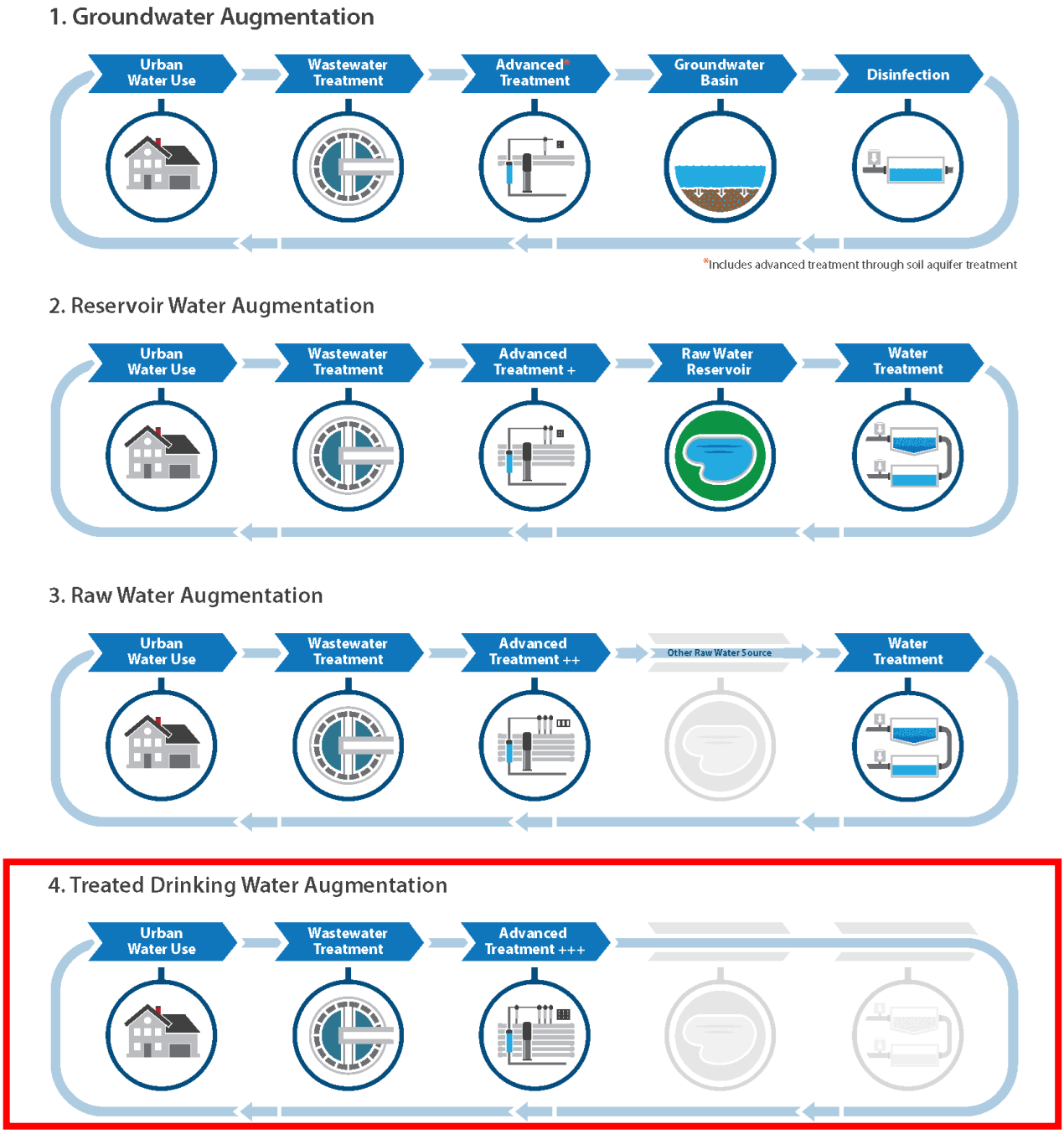


Figure 1 – Type of Potable Reuse as defined by the California Code of Regulations[1]

[1] Graphic courtesy of the 2021 WateReuse California Strategic Plan

To reduce discharges of treated wastewater and urban runoff to waterways and the ocean, the Plan will evaluate wastewater and urban runoff as sources of supply. By accessing 2.5 mgd or 2,802 AFY in additional supply through potable reuse, the District could reduce its imported water demand by 31%, as shown in Figure 2.

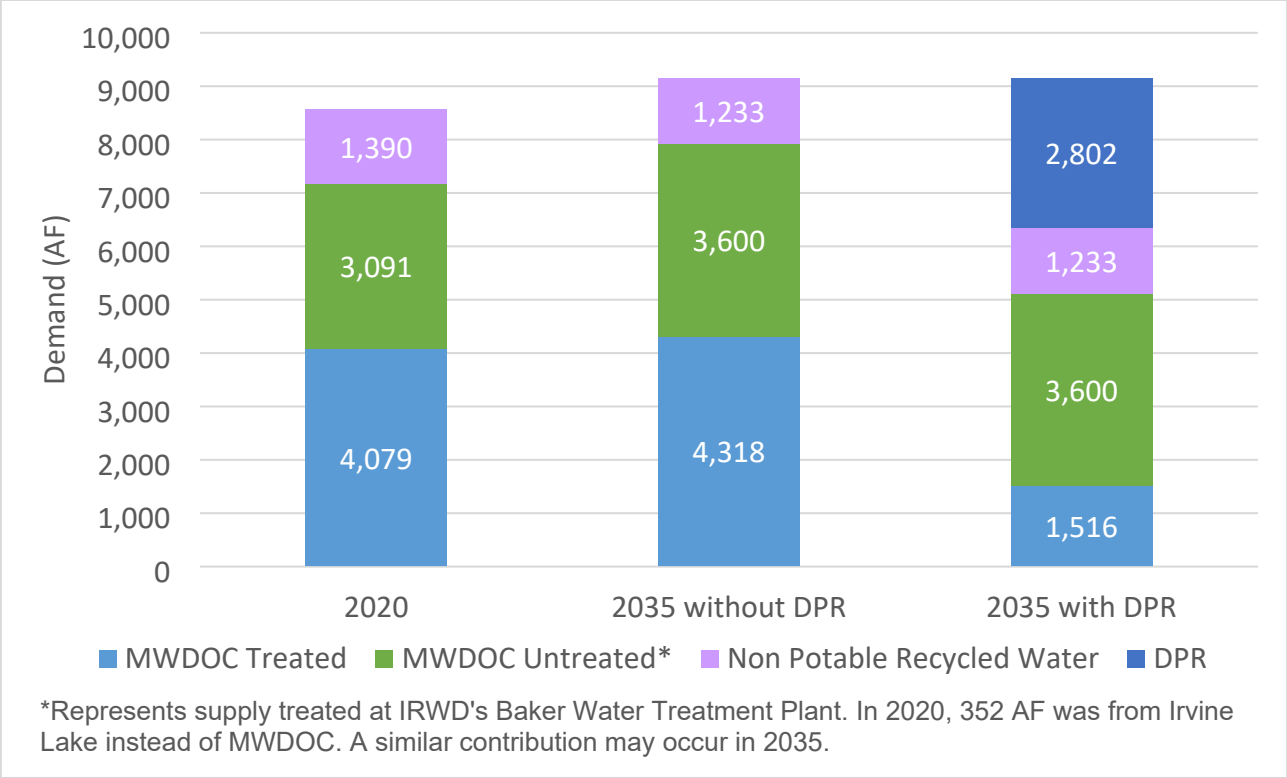


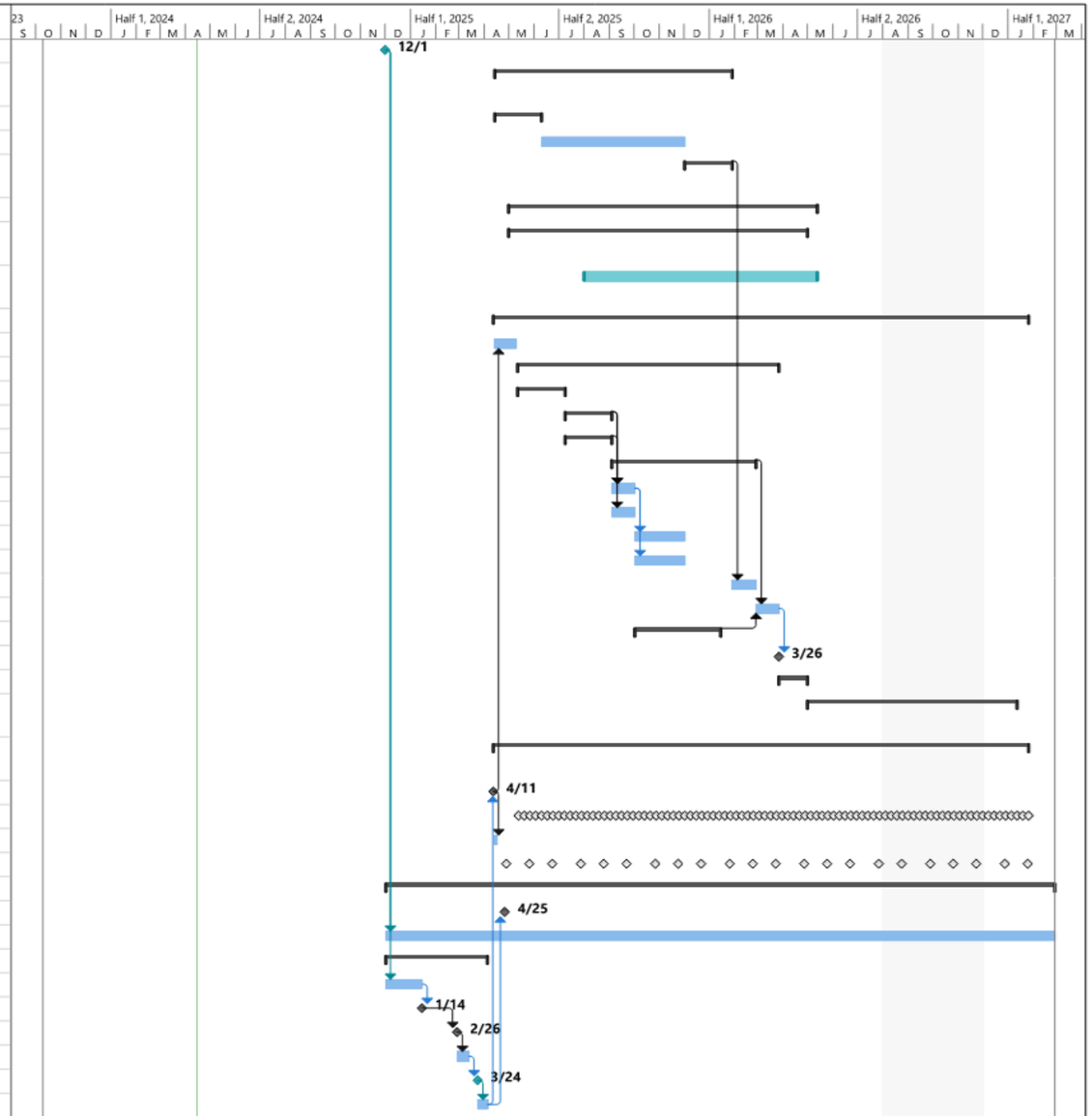
Figure 2 – District Water Supply Portfolio: Current and Projected

SCOPE OF WORK and SCHEDULE

The DPR Strategic Plan would involve hiring consultants to lead the technical investigations and develop an outreach plan. Outreach efforts include outreach to neighboring agencies to assess opportunities for potential partnerships. Organized in keeping with grant requirements, Figure 3 summarizes the Plan's schedule and scope of work. Capacity building for vulnerable communities and partnering with a community-based organization is a key component of the grant, so the District plans to partner with Families Forward to offer its members wastewater operator education and training.

District staff recommend the Board pass this resolution to strengthen the grant application. Notice of award is not anticipated until June 29, 2024. After award, notice to proceed (NTP) would be December 1, 2024. After NTP, the Plan will take approximately two years to complete (i.e., by January 31, 2027).

ID	Task Name	Duration	Start	Finish	Predecessors
1	ICARP RRGP Phase 2 Award	0 days	Sun 12/1/24	Sun 12/1/24	
2	**Task 1: Establish Equitable Implementation Processes for the Region and its Vulnerable Communities**	**200 days**	**Mon 4/14/25**	**Wed 1/28/26**	
3	**Community Outreach Plan**	**40 days**	**Mon 4/14/25**	**Mon 6/9/25**	
9	Community Outreach Workshops	6 mons	Tue 6/10/25	Mon 12/1/25	8
10	**Incorporate Community Feedback into Implementation Plan**	**40 days**	**Tue 12/2/25**	**Wed 1/28/26**	
16	**Task 2: Build Capacity for Vulnerable Communities**	**260 days**	**Thu 5/1/25**	**Tue 5/12/26**	
17	**Educate Disadvantaged Groups on Climate-Resilient Career Opportunities**	**252 days**	**Thu 5/1/25**	**Fri 5/1/26**	
20	Provide Climate-Resilient Workforce Training for Disadvantaged Groups	9.8 mons	Fri 8/1/25	Tue 5/12/26	
21	**Task 3: Develop Regional Potable Reuse Implementation Plan**	**330 days**	**Fri 4/11/25**	**Tue 1/26/27**	
22	Data Request	4 wks	Mon 4/14/25	Fri 5/9/25	65
23	**Identification of Potential Opportunities**	**220 days**	**Mon 5/12/25**	**Thu 3/26/26**	
24	**Develop Stormwater Diversion Alternatives**	**40 days**	**Mon 5/12/25**	**Tue 7/8/25**	
30	**Determine Available Source Flow**	**40 days**	**Wed 7/9/25**	**Wed 9/3/25**	
36	**Water Quality Evaluation**	**40 days**	**Wed 7/9/25**	**Wed 9/3/25**	
42	**Treatment and Infrastructure Alternatives**	**120 days**	**Thu 9/4/25**	**Thu 2/26/26**	
43	Develop Treatment Alternatives	4 wks	Thu 9/4/25	Wed 10/1/25	30,36
44	Develop Infrastructure Alternatives	4 wks	Thu 9/4/25	Wed 10/1/25	30
45	Operational Needs and Staff Plan	40 days	Thu 10/2/25	Mon 12/1/25	43
46	Regulatory Considerations	40 days	Thu 10/2/25	Mon 12/1/25	43
47	Refine Alternatives based on Community Outreach	4 wks	Thu 1/29/26	Thu 2/26/26	10
48	Economic Assessment and Resiliency Analysis	4 wks	Fri 2/27/26	Thu 3/26/26	49,42
49	**Residuals Management**	**70 days**	**Thu 10/2/25**	**Wed 1/14/26**	
53	Alternatives Review Workshop	0 days	Thu 3/26/26	Thu 3/26/26	48
54	**Implementation Strategy**	**25 days**	**Fri 3/27/26**	**Thu 4/30/26**	
58	**Development of the Regional Potable Reuse Implementation Plan**	**55 days**	**Fri 5/1/26**	**Mon 1/11/27**	
64	**Additional Meetings to Support Regional Potable Reuse Implementation Plan Development**	**330 days**	**Fri 4/11/25**	**Tue 1/26/27**	
65	Kickoff Meeting	0 days	Fri 4/11/25	Fri 4/11/25	190FS+1 wk
66	**Monthly Progress Meetings**	**309 days**	**Tue 5/13/25**	**Tue 1/26/27**	
157	Site Assessments	2 days	Mon 4/14/25	Tue 4/15/25	65
158	**Board Presentations**	**319 days**	**Mon 4/28/25**	**Mon 1/25/27**	
181	**Task 4: Manage Project and Evaluate APGP Grant Outcomes**	**446 days**	**Mon 12/2/24**	**Fri 2/26/27**	
182	Project Execution Plan	0 days	Fri 4/25/25	Fri 4/25/25	190FS+3 wks
183	Project Management and Grant Administration	446 days	Mon 12/2/24	Fri 2/26/27	1
184	**Hire Community Outreach and Technical Consultants**	**87 days**	**Mon 12/2/24**	**Fri 4/4/25**	
185	Develop RFP	30 days	Mon 12/2/24	Tue 1/14/25	1
186	Issue RFP	0 days	Tue 1/14/25	Tue 1/14/25	185
187	Receive Proposals	0 days	Wed 2/26/25	Wed 2/26/25	186FS+6 wks
188	Conduct Interviews and Review Proposals	2 wks	Thu 2/27/25	Wed 3/12/25	187
189	Board Award	0 days	Mon 3/24/25	Mon 3/24/25	188
190	Execute Contract	2 wks	Mon 3/24/25	Fri 4/4/25	189



Task | Summary | Inactive Milestone | Duration-only | Start-only | External Milestone | Manual Progress
Split | Project Summary | Inactive Summary | Manual Summary Rollup | Finish-only | Deadline
Milestone | Inactive Task | Manual Task | Manual Summary | External Tasks | Progress

Page 1

Figure 3 – Regional Potable Reuse Implementation Plan Schedule

BUDGET

The ICARP AGPG covers 100 percent of the grant applicant's costs up to $650,000 with no required cost share. Table 1 summarizes the draft District's budget request for the AGPG, which is currently estimated at $616,183.77. The District will request reimbursement for some required staff participation in the grant; to strengthen the application by showing District in-kind contributions, the remaining staff labor would be funded from the District's operations budget.

Table 1 – Regional Potable Reuse Implementation Plan Budget

Description	Cost
Community Outreach Consultant	$50,000.00
Technical Consultant	$495,415.11
District Staff Participation in AGPG Required Activities	$19,191.66
Water Quality Analysis at External Laboratory	$10,000.00
Community Outreach Brochures and Messaging	$5,000.00
Families Forward Staff	$22,000.00
Workforce Development - Santiago Canyon College Courses	$7,077.00
Workforce Development - Books and Supplies	$7,500.00
Total	**$616,183.77**

ALIGNMENT WITH REGIONAL EFFORTS

This effort aligns with the 2018 South Orange County Integrated Regional Water Management Plan (IRWMP) principals of increasing water supply reliability, improving water quality, and protecting natural resources. Collaboration with IRWMP partners and local stakeholders, including city officials and regional partners such as Moulton Niguel Water District, South Orange County Wastewater Authority, Irvine Ranch Water District, Santa Margarita Water District, Municipal Water District of Orange County (MWDOC), and Orange County Public Works will be a core component of the Project. The region has faced increasing challenges due to climate change and water scarcity, including a multi-year "exceptional" drought from 2014-2017 as categorized by the United States Drought Monitor. By developing the Plan, the District seeks to chart a course for a sustainable and resilient water supply, mitigating the impacts of these conditions.

Further, MWDOC conducted a 2023 Orange County Water Reliability Assessment (OC Study), which concluded that under a hot/dry climate future (which recent evidence seems to suggest might be the current path), coupled with 15 percent mandatory water demand restrictions and the most optimistic future water supply assumptions (i.e., maximum levels of local and regional reuse, increased water use efficiency, new water transfers and storage, and implementation of the Delta Conveyance Project), MWD and Orange County region water shortages can still occur. Predicting a maximum water shortage in 2050 of 171,000 AFY for MWD and 40,000 AFY for all of Orange County, the OC Study recommends that

Orange County water agencies like ETWD make investments in conservation and water reuse and quantifies the benefit of reducing water shortages as $2,926 per AF[2]***.***

RECOMMENDATION

Recommended Action:

Staff recommends that the Board of Directors adopt Resolution No. 24-4-1, authorizing the General Manager, or designee, to apply for, receive, and enter into a cooperative agreement, and administer a grant for the Integrated Climate Adaptation and Resiliency Program Adaptation Planning Grant Program.

RESOLUTION NO. 24-4-1

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT ("DISTRICT")
AUTHORIZING THE GENERAL MANAGER, OR DESIGNEE, TO APPLY FOR, RECEIVE, ENTER INTO A COOPERATIVE AGREEMENT, AND ADMINISTER A GRANT FOR THE INTEGRATED CLIMATE ADAPTATION AND RESILIENCY PROGRAM ADAPTATION PLANNING GRANT PROGRAM.

[2] Escalated from 2021 to 2024 dollars by the consumer price index (CPI) inflation calculator.

RESOLUTION NO. 24-1-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE EL TORO WATER DISTRICT ("DISTRICT") AUTHORIZING THE GENERAL MANAGER, OR DESIGNEE, TO APPLY FOR, RECEIVE, ENTER INTO A COOPERATIVE AGREEMENT, AND ADMINISTER A GRANT FOR THE INTEGRATED CLIMATE ADAPTATION AND RESILIENCY PROGRAM (ICARP) ADAPTATION PLANNING GRANT PROGRAM (APGP)

WHEREAS, the El Toro Water District relies exclusively on imported water to meet the drinking water needs of over 50,000 customers; and

WHEREAS, the reliability of the supply of imported potable water is increasingly subject to varying climatic conditions; and

WHEREAS, the El Toro Water District Board of Directors has identified water supply reliability as a key strategic objective; and

WHEREAS, the El Toro Water District Board of Directors has further identified the expanded use of recycled water as an additional strategic objective.

NOW THERFORE BE IT RESOLVED, by the El Toro Water District Board of Directors ("Board") that the District General Manager or his/her designee is hereby authorized and directed to sign and file, for and on behalf of the El Toro Water District ("District"), a grant application for ICARP APGP in the amount not to exceed $650,000; and

BE IT FURTHER RESOLVED, the District General Manager, or his/her designee, is hereby authorized to acknowledge and approve of the application and the information submitted for consideration, and is further authorized to certify that the District has and will provide the amount of funding and/or in-kind contributions specified in the funding plan; and

BE IT FURTHER RESOLVED, that the Board hereby agrees and further does authorize the aforementioned representative or his/her designee to certify that the District has and will comply with all statutory and regulatory requirements related to any grant funds; and

BE IT FURTHER RESOLVED, that the General Manager or his/her designee is hereby authorized to negotiate and execute a grant and any amendments or change order thereto on behalf of the District received and will work with Reclamation to meet established deadlines for entering into a cooperative agreement.

ADOPTED, SIGNED, AND APPROVED this 22nd day of April, 2024.

_____
Mark Monin, President
El Toro Water District and the
Board of Directors thereof

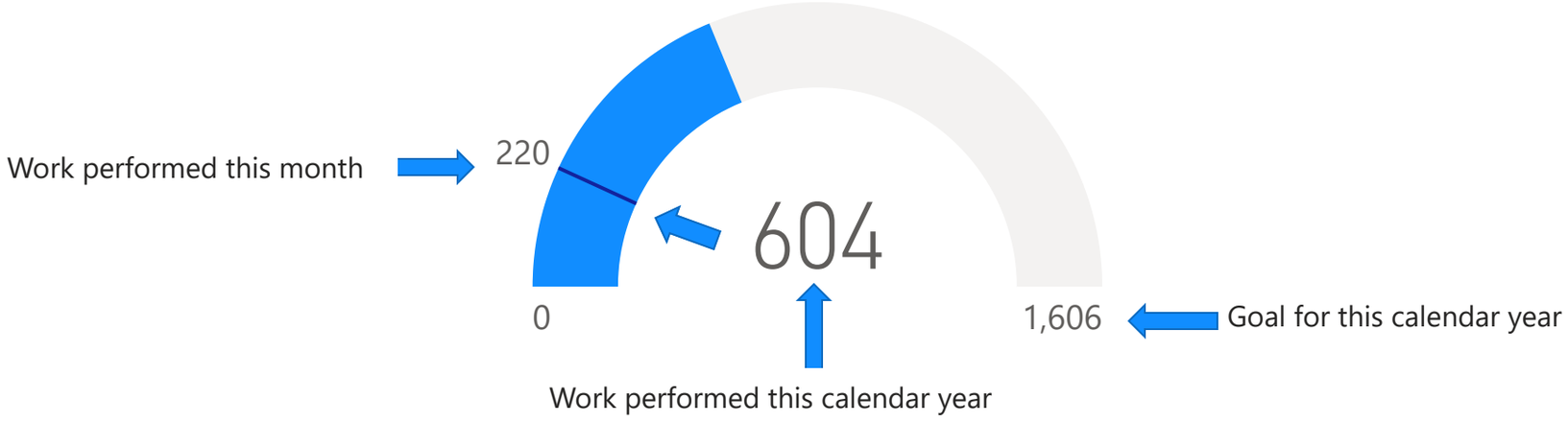
ATTEST:

_____
DENNIS P. CAFFERTY, Secretary
El Toro Water District and the
Board of Directors thereof

Operations Report

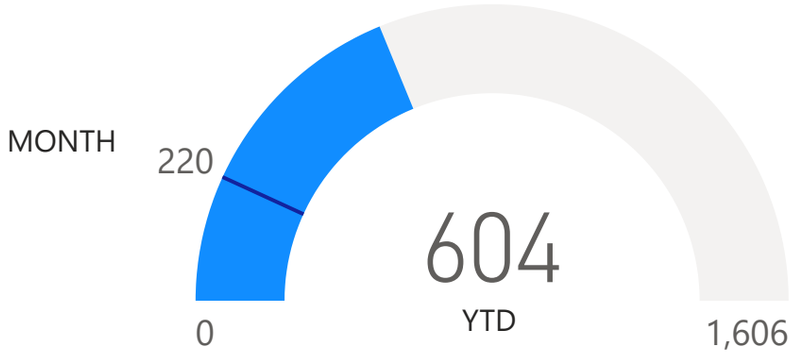
March 2024

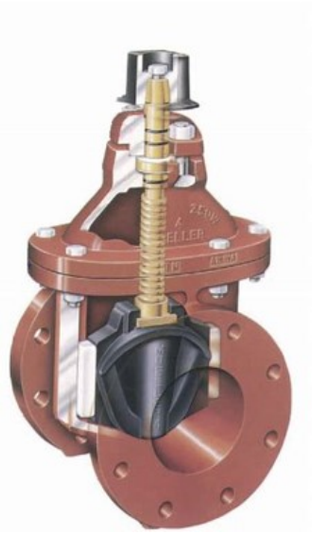
How to read the graphics in this report:



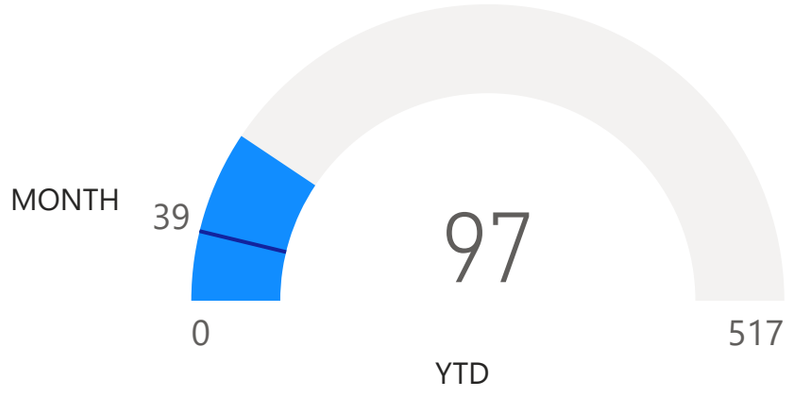
Valves

Distribution Valves Operated
Mainline

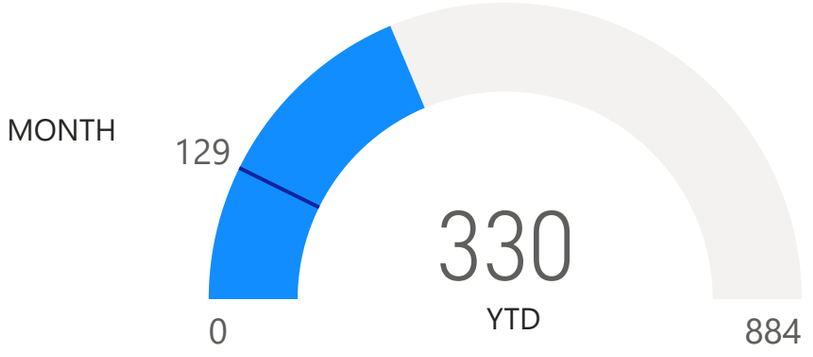




Arterial Valves Operated
Mainline

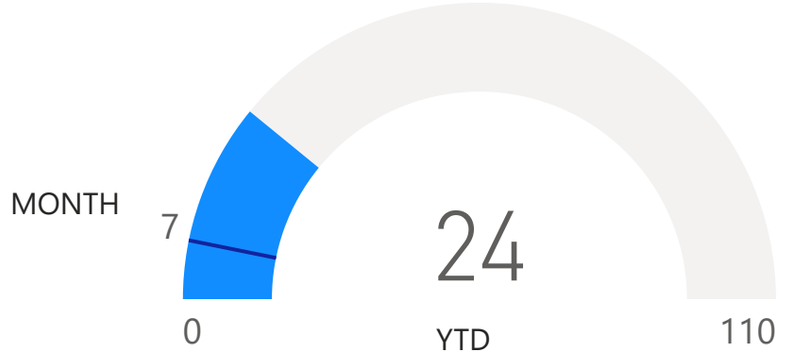


Distribution Valves Operated
Fire Hydrant



Asset	Month	YTD
Potable Valves Repaired	3	4
Potable Valves Replaced	0	3
Valve Cans Adjusted/Replaced	8	10
Valve Cans Cleaned	0	0
Total	**11**	**17**

Arterial Valves Operated
Fire Hydrant

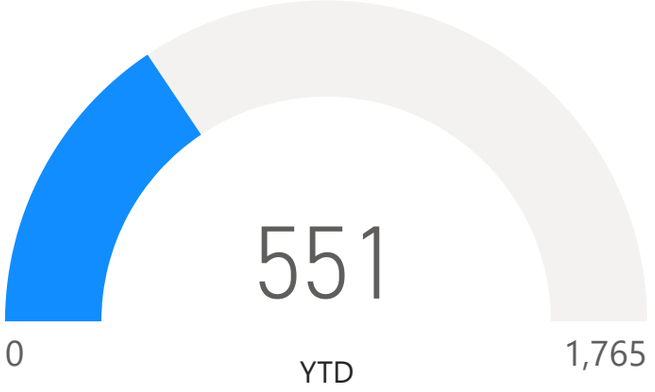


Note:

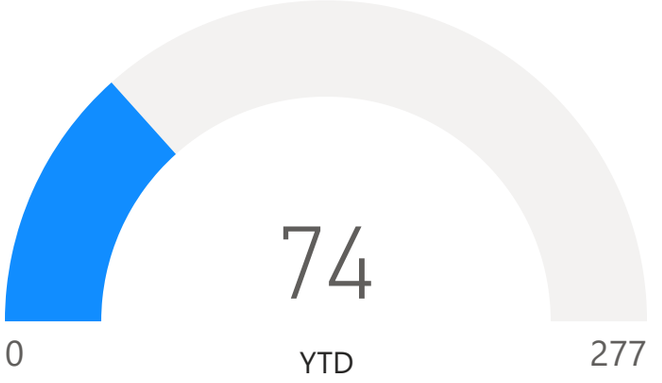
1. The distribution valve operation program strives to operate all distribution valves (mainline and fire) every two years. Goals shown on this page represent that for the calendar year (i.e., total number of distribution valves divided by two).
2. The arterial valve operation program strives to operate all arterial valves (mainline and fire) every year.

Cross Connection Program

Backflow Assemblies Tested

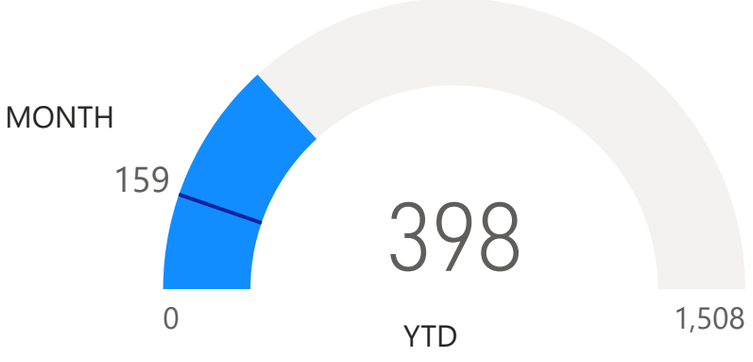


Recycled Water Inspections



Other Facility Maintenance

Generator Inspections



Underground Service Alerts Marked

212

Month

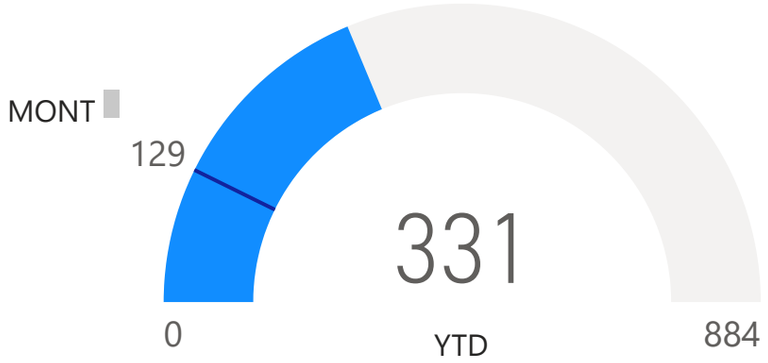
Underground Service Alerts Marked

577

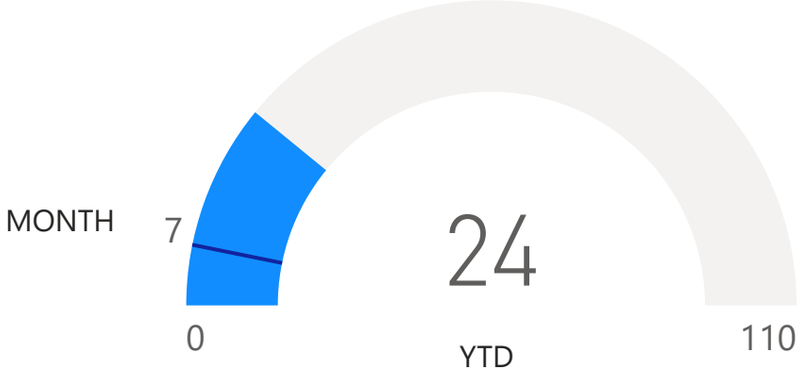
YTD

Fire Hydrants

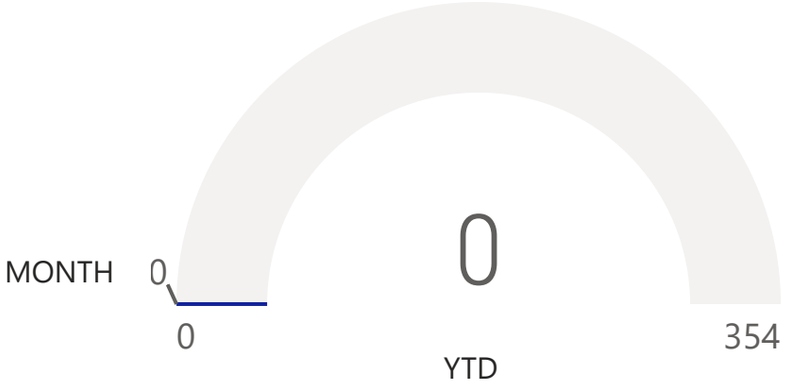
Distribution Hydrants Maintained



Arterial Hydrants Maintained

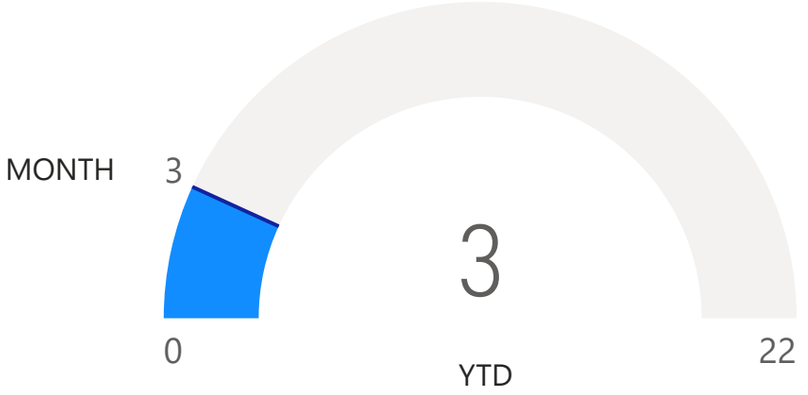


Distribution Hydrants Painted



Asset	Month	YTD
Hydrants Repaired	1	5
Hydrants Replaced	4	5
Total	**5**	**10**

Arterial Hydrants Painted

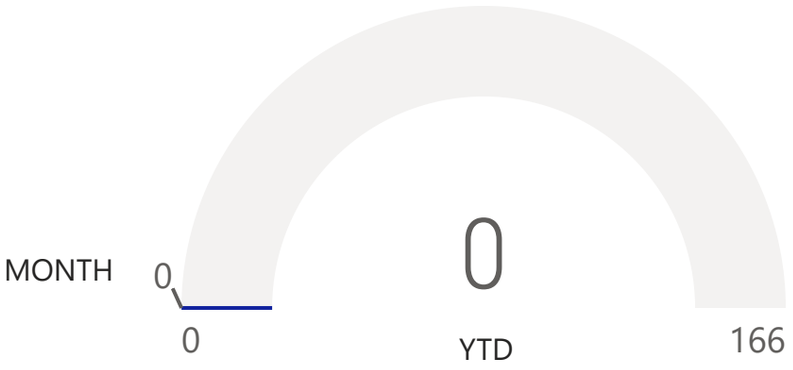


Note:

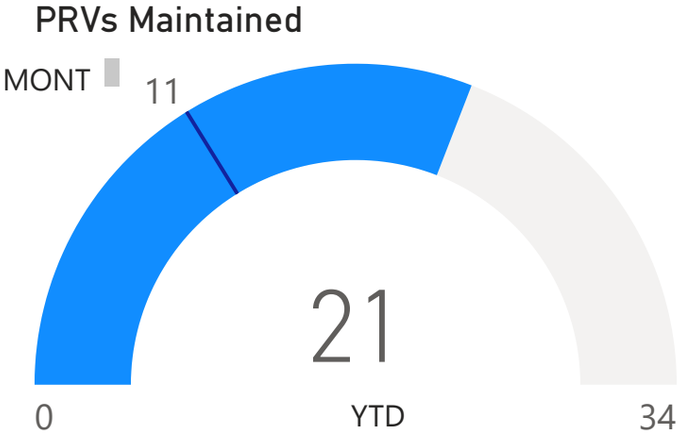
1. The hydrant program strives to maintain all distribution hydrants every two years and arterial hydrants every year. Goals shown on this page represent that for the calendar year (i.e., total number of distribution hydrants divided by two).
2. The hydrant program strives to paint all hydrants every five years. Goals shown on this page represent that for the calendar year (i.e., total number of hydrants divided by five).

Water Appurtenances

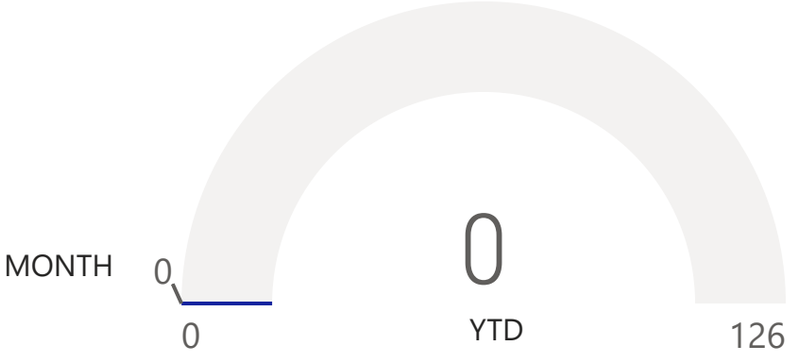
Air Vacs Maintained



PRVs Maintained

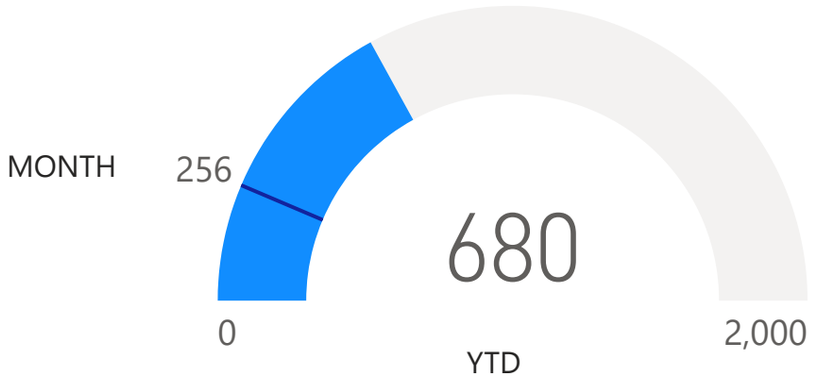


Blow Offs Flushed



Water Distribution System

Leak Detection Survey



System Flushing

gallons

83K

Month

Asset	Month	YTD
Main Line Repairs	0	0
Service Line Repairs	0	2
Service Line Replacement	3	7
Water Pump Motor Services	1	6
Water Pump Services	1	2
Water Reservoir and Pump Station Inspections	85	320

System Flushing

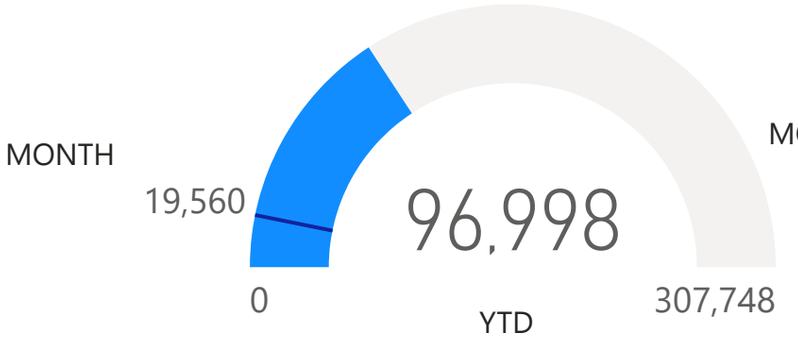
gallons

386K

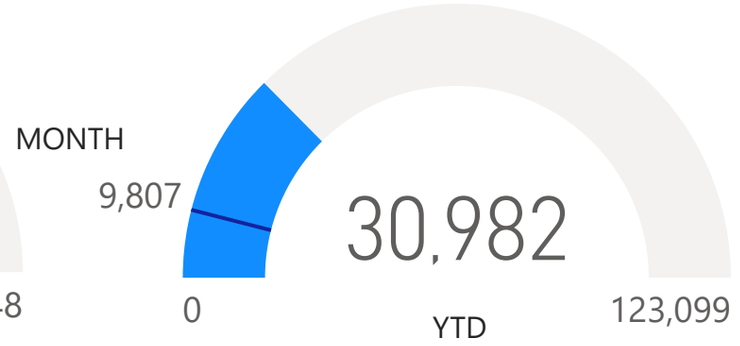
YTD

Collection System

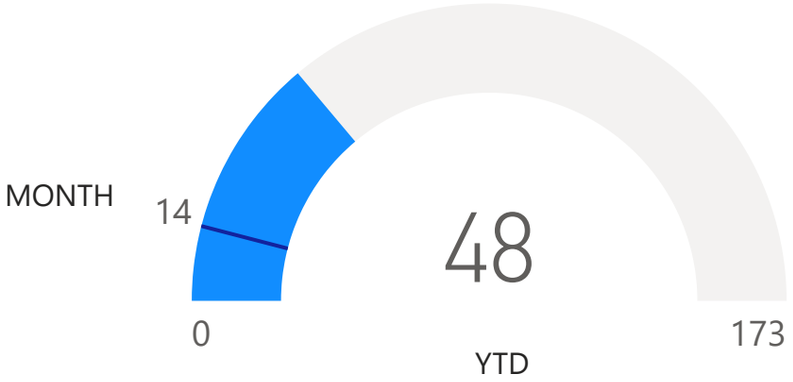
Line Cleaning
feet of pipe



TV Inspection
feet of pipe

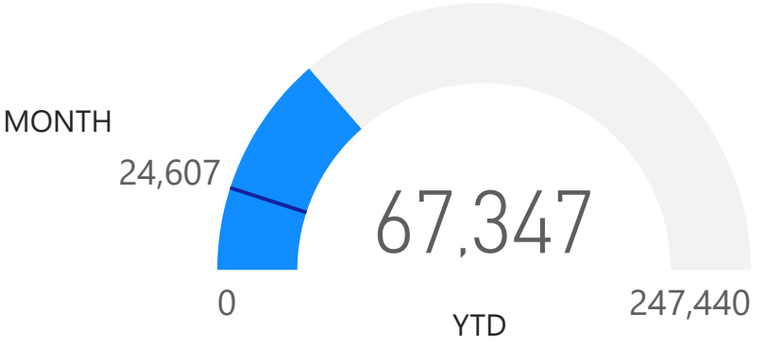


FOG Inspections

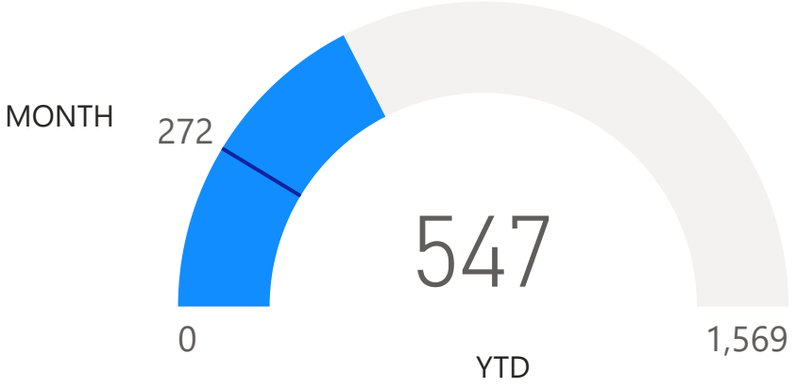


Asset	Month	YTD
Industrial Waste Inspections	1	171
Lift Station Inspections	80	288
Manhole Repairs	4	5
Odor Complaints	0	1
Root Cutting, feet of pipe	0	0
Root Foaming, feet of pipe	1,409	1,409
Sewer Mainline Repairs	0	0
Sewer Pump/Motor Maintenance	1	13
Sewer Service Line Repairs	1	2
Wet Well Cleaning	31	10

Hotspots
feet of pipe



Manhole Inspections



Note:

1. The line cleaning objective is a two year cycle to clean the entire system. The current cycle began on 7/1/2022.
2. The TV inspection objective is a five year cycle to inspect the entire system. The current cycle began on 1/25/2021.

EL TORO WATER DISTRICT
UNAUTHORIZED DISCHARGE SUMMARY
YEAR OF 2024

DATE	PUBLIC / PRIVATE	SPILL TYPE	LOCATION	REASON	IMMEDIATE CORRECTIVE MEASURES	POST-INCIDENT PREVENTIVE MEASURES	RWQCB	DISCHARGED TO	SPILL VOLUME (PUBLIC) Gallons		SPILL VOLUME (PRIVATE) Gallons		REGULATORY NOTIFICATION AND RESPONSE
									CONTAINED	SPILLED	CONTAINED	SPILLED	
January	No Spill												
February	No Spill												
March	No Spill												
LEGEND									**0**	**0**	**0**	**0**	

S.DC = San Diego Creek	RES. = Residential	R.S. = Rocks
S.D. = Storm Drain	C. = Commercial	C.W.D. = Calcium Water Deposits
A.C. = Aliso Creek	S.B. = Siphon	B.P, = Broken Pipe
G.B. = Grease Blockage	P.F. = Power Failure	U.W. = Untreated Water
S. = Sticks	P. = Paper	R. = Roots

EL TORO WATER DISTRICT
MONTHLY POTABLE WATER QUALITY REPORT

The quality and safety of drinking water in the U.S. is regulated by the federal government through the U.S. Environmental Protection agency (USEPA). In California, those standards are enforced by the California Department of Public Health (CDPH). Water Quality parameters must meet both primary and secondary water quality standards as established by the CDPH.

PRIMARY STANDARDS - are intended to protect public health against substances in the water that may be harmful to humans if consumed for long periods of time.

SECONDARY STANDARDS - are to ensure esthetic qualities of water such as taste, odor or clarity. Rather than its healthfulness, these standards govern substances that may influence consumer acceptance of water.

Given that 100% of ETWD's potable water resource is fully treated and delivered by Metropolitan Water District of southern California (MWDSC) through an enclosed and protected conveyance system, the majority of the State and federal primary and secondary source water quality monitoring requirements are performed by MWDSC. The District's physical responsibility for water quality monitoring is associated with the distribution system. To monitor the distribution system water quality the District utilizes both in house and outside lab services. Routine distribution analysis conforming to CDPH requirements is conducted for the following constituents:

1) Microbiological - The number of microbiological samples and the frequency of analysis during the month is based on the population and/or service connections served. Utilizing a population of 50,000, the CDPH requires that 20 "representative" samples be collected and analyzed for coliform bacteria. The objective is to maintain water quality that is absent of coliform bacteria which is a general indicator for the existence of fecal coliform.

2) Chlorine Residual - The chlorine residual monitoring is performed in conjunction with the microbiological monitoring. The CDPH requirement for treated surface water mandates that the distribution system maintain a "detectable" residual. The number of and frequency of sampling is determined utilizing the same formula applied to microbiological requirements. At a minimum, we are obligated to collect and analyze for chlorine residual each time we collect the representative microbiological samples. Per EPA Disinfectants & Disinfection Byproduct Rule (D/DBP), which was effective January 2002, requires quarterly reporting for all sampling.

3) TTHM & HAA5 Stage 2 DBPR Compliance The U.S. Environmental Protection Agency (EPA) published the Stage 2 Disinfectants and Disinfection Byproducts Rule (Stage 2 DBPR) on January 4, 2006. The Stage 2 DBPR builds on existing regulations by requiring water systems to meet disinfection byproduct (DBP)* maximum contaminant levels (MCLs) at each monitoring site in the distribution system to better protect public health. The Stage 2 DBP rule is intended to reduce potential cancer and reproductive and developmental health risks from disinfection byproducts (DBPs) in drinking water, which form when disinfectants are used to control microbial pathogens.
This final rule strengthens public health protection for customers of systems that deliver disinfected water by requiring such systems to meet maximum contaminant levels as an average at each compliance monitoring location (instead of as a system-wide average as in previous rules) for two groups of DBPs, trihalomethanes (TTHM) and five haloacetic acids (HAA5). The rule targets systems with the greatest risk and builds incrementally on existing rules.
This regulation will reduce DBP exposure and related potential health risks and provide more equitable public health protection. The Stage 2 DBPR is being released simultaneously with the Long Term 2 Enhanced Surface Water Treatment Rule to address concerns about risk tradeoffs between pathogens and DBPs.

The mandatory requirement under the Stage 2 DBP rule, known as an Initial Distribution System Evaluation (IDSE) was completed by ETWD in 2008 and a Stage 2 monitoring plan has been approved by CDPH. Full Stage 2 compliance begins in 2012. The IDSE identified the locations with high disinfection byproduct concentrations. These locations will then be used by the District as the 8 sampling sites for Stage 2 DBP rule compliance monitoring. Compliance with the maximum contaminant levels for two groups of disinfection byproducts (TTHM and HAA5) will be calculated for each monitoring location in the distribution system. This approach, referred to as the locational running annual average (LRAA), differs from current requirements, which determine compliance by calculating the running annual average of samples from all monitoring locations across the system. The Stage 2 DBP rule also requires each system to determine if they have exceeded an operational evaluation level, which is identified using their compliance monitoring results. The operational evaluation level provides an early warning of possible future MCL violations, which allows the system to take proactive steps to remain in compliance. A system that exceeds an operational evaluation level is required to review their operational practices and submit a report to the state that identifies actions that may be taken to mitigate future high DBP levels, particularly those that may jeopardize their compliance with the DBP MCLs.

4) Physical Quality - **Physical Quality analysis is associated with the esthetic qualities of the finished water. Primarily, we are performing analysis for taste, odor and Turbidity (Clarity). In accordance with CDPH requirements, the District collects a minimum of 15 samples per month.**

5) Nitrites - **Although the chloramine disinfection process has been effective in controlling TTHM levels, it requires increased monitoring and adjustment as a result of its susceptibility to the Nitrification process. Nitrification is a biological process caused by naturally occurring ammonia oxidizing bacteria. Nitrification in chloraminated drinking water can have various adverse impacts on water quality, the most serious of which is the loss of total chlorine residual which is required by the CDPH and the subsequent potential to increase bacteria-iological activity within the finished or treated water system. MWD has developed an effective nitrification monitoring and prevention program which ETWD staff have adopted and incorporated into the District's daily water quality monitoring and action plan. The number and frequency of this type of monitoring is not currently regulated by CDPH. Staff monitor the level of nitrites in source water, reservoirs and the distribution system daily and weekly in conjunction with the microbiological and chlorine sampling program. A nitrite level of between 0.015 and 0.030 would signal an alert. > 0.030 would require action such as the addition of chlorine to produce a chloramine residual.**

EL TORO WATER DISTRICT
MONTHLY POTABLE WATER QUALITY ANALYSIS
MONTH: March YEAR : 2024

CONSTITUENT		INSIDE LAB		OUTSIDE LAB	
ANALYSIS	MCL	NO.	RESULTS	NO.	RESULTS
1 Microbiological	Pres/Absence	117	Absence		Average
2 Chlorine (ppm) In Field	Detectable Resid	173	Average = 1.34 ppm		
3 TTHM (ppb) (Stage 2)	80 ppb			8	49.1 ppm
3 HAA5 (ppb) (Stage 2)	60 ppb			8	13.7 ppm
4 Physical Quality:			RANGE		
Turbidity (ppm)	5 NTU	20	0.01 to 0.05 Res.		
Odor	3 Units	20	ND<1		
Color	15 Units	20	ND<5		
Temperature	No standard	20	62°F To 65°F		
5 Nitrite (Alert/Action level) ppm	0.015 to 0.030 ppm	132	0.000 to 0.148		

To ensure water quality compliance, the District annually performs approximately 8,750 water quality analytical evaluations of the samples collected from the distribution system.

Abbreviations:

RES	**Indicates that the nitrification was isolated to a reservoir and treated**
ND	**None detected**
Pres/Absence	**Presence (P) or Absence (A) related to a positive or negative bacteriological result**
MCL	**Maximum Contaminant Level**
NTU	**Nephelometric Turbidity Units, a measure of the suspended material in the water**
ppm	**Parts per million**
ppb	**Parts per billion**
Total Coliform	**No more than 5% of the monthly samples may be total coliform-positive**
N/A	**Not available**

Annual Report

2023 Annual Fluoride Report	Submitted January 9th. 2024	Sent to Region 8, Dennis Cafferty and Scott Hopkins
Annual Reservoir Six Cover Report	Submitted March 28th 2024	Sent to Region 8, Dennis Cafferty
2024 Annual Hazardous Materials Update	Completed January 23. 2024	County Website
2023 Volumetric Report	Due April 30th	States Website

March Monthly Reports

February's Surface Water Treatment (Bactis)	Submitted March 5th 2024	Sent to Region 8, Dennis Cafferty
February's Revised Total Coliform Monitoring	Submitted March 5th 2024	Sent to Region 8, Dennis Cafferty
February's Self-Monitoring Report for Recycled	Submitted March 29th 2024	Sent to Region 8, Dennis Cafferty
February's Self-Monitoring Report for Planned	Submitted on March 6th 2024	Sent to Region 8, Dennis Cafferty

April Monthly Reports

March's Surface Water Treatment (Bactis)	Submitted April 8th 2024	Sent to Region 8, Dennis Cafferty
March's Revised Total Coliform Monitoring (Bactis)	Submitted April 8th 2024	Sent to Region 8, Dennis Cafferty
March's Self-Monitoring Report for Recycled	Due by April 30th	Sent to Region 8, Dennis Cafferty
March's Self-Monitoring Report for Planned	Due by April 30th	Sent to Region 8, Dennis Cafferty
1st Quarter Stage 2 Disinfection TTHM/HAA5	Submitted April 8th 2024	Sent to Region 8, Dennis Cafferty and Scott Hopkins
1st Quarter Report of Disinfectant Residuals	Submitted April 8th 2024	Sent to Region 8, Dennis Cafferty and Scott Hopkins

Staff Training Log 2024

First Quarter

Training Topic	Duration	Frequency	Modality	Participants
Safety Tailgate Meeting	30 Minutes	Weekly	In Person	Field Staff/Completed
Bloodborne Pathogens	1 Hour	Annual	Online	All Employees/Completed
Hearing	1 Hour	Annual	Online	All Employees/Completed
811 Dig Alert	2 Hours	As Needed	In Person	Field Staff/Need to Schedule
Spill Reporting	1 Hour	As Needed	In Person	Field Staff
Fit Testing	Individually	Annual	In Person	Field Staff/Completed
Class A	80 Hours	As Needed	In Person	2 Employees/Completed

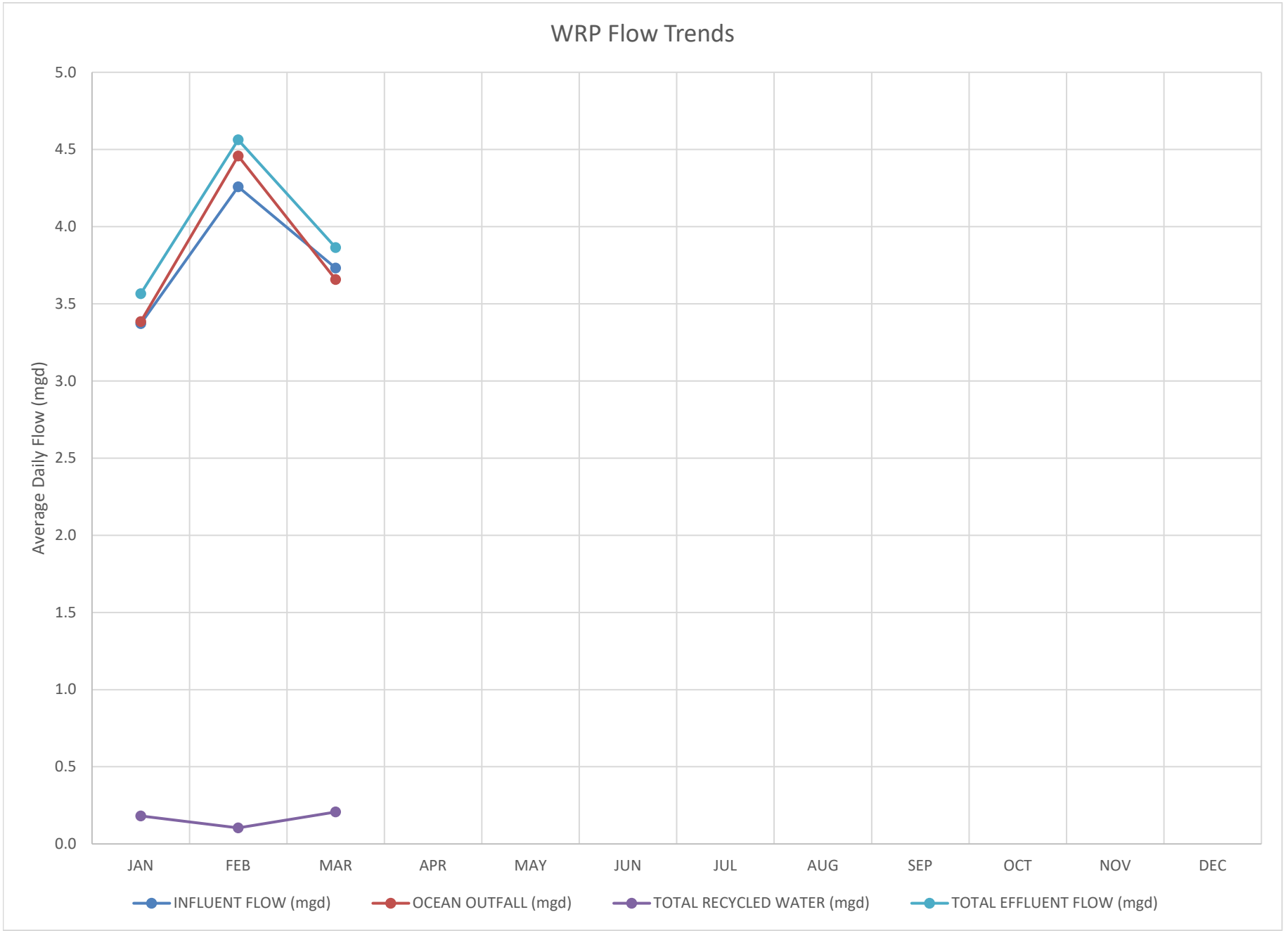
Second Quarter

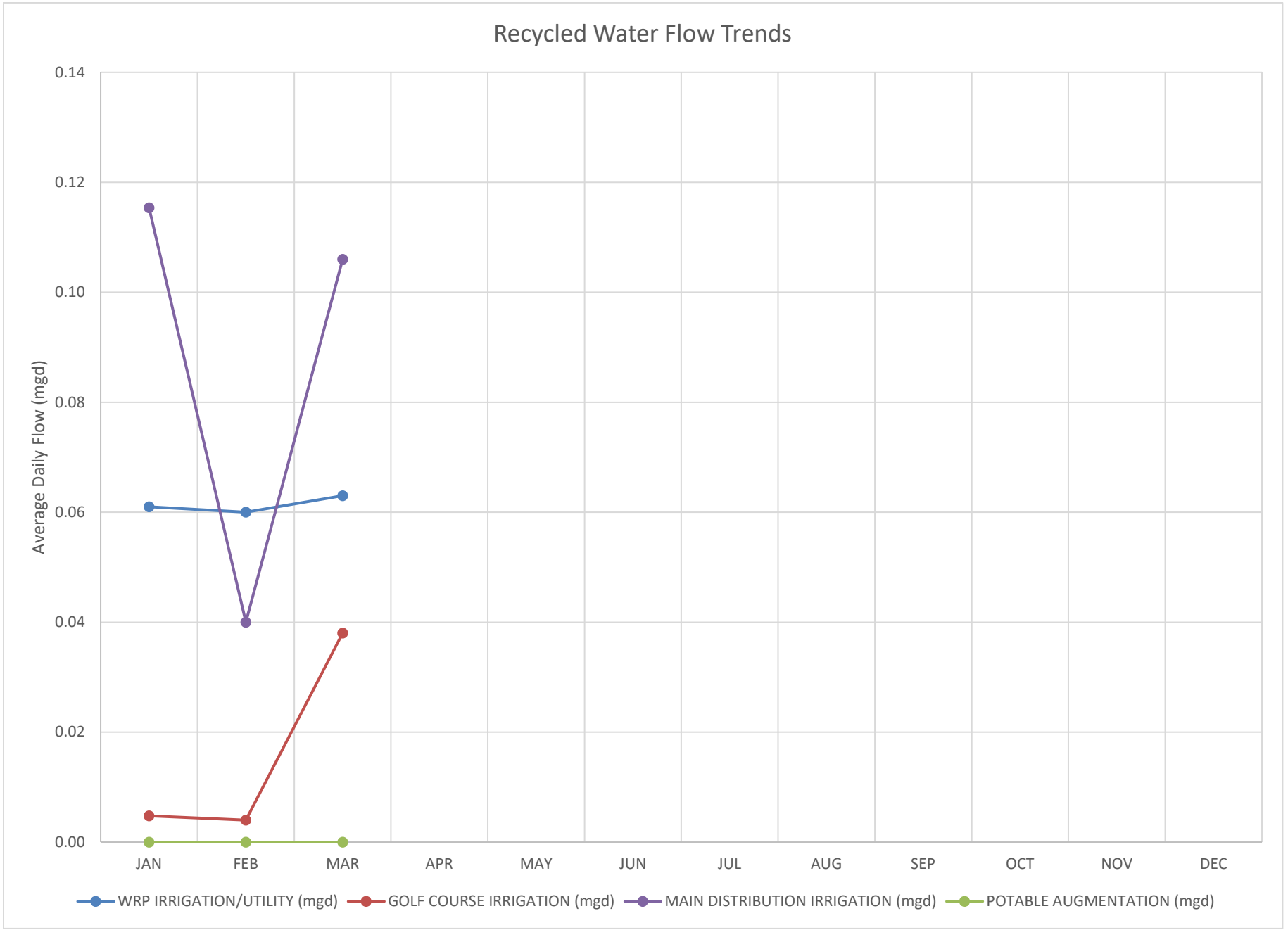
Training Topic	Duration	Frequency	Modality	Participants
Fire Prevention	1 Hour	Annual	Online	All Staff/Assigned
Fire Extinguisher	1 Hour	Annual	Online	All Staff/Assigned
Silica/	1 Hour	Annual	In Person	field Staff/Scheduled
Asbestos AC Pipe	4 Hours	Annual	In Person	field Staff/Scheduled
Line Locator	4 Hours	Annual	In Person	Field Staff
Sodium Hypochlorite	1 Hour	Annual	In Person	Field Staff

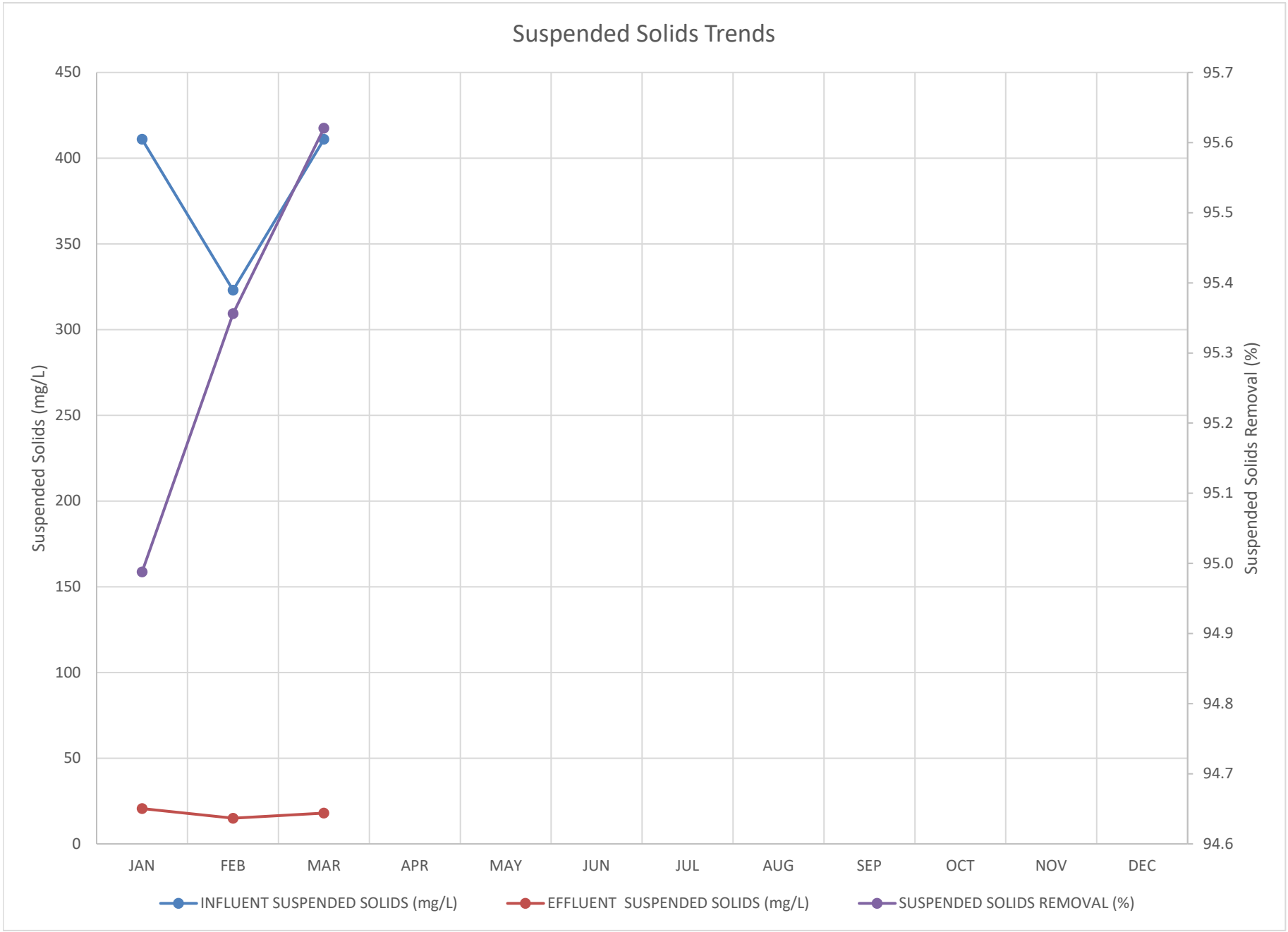
EL TORO WATER DISTRICT

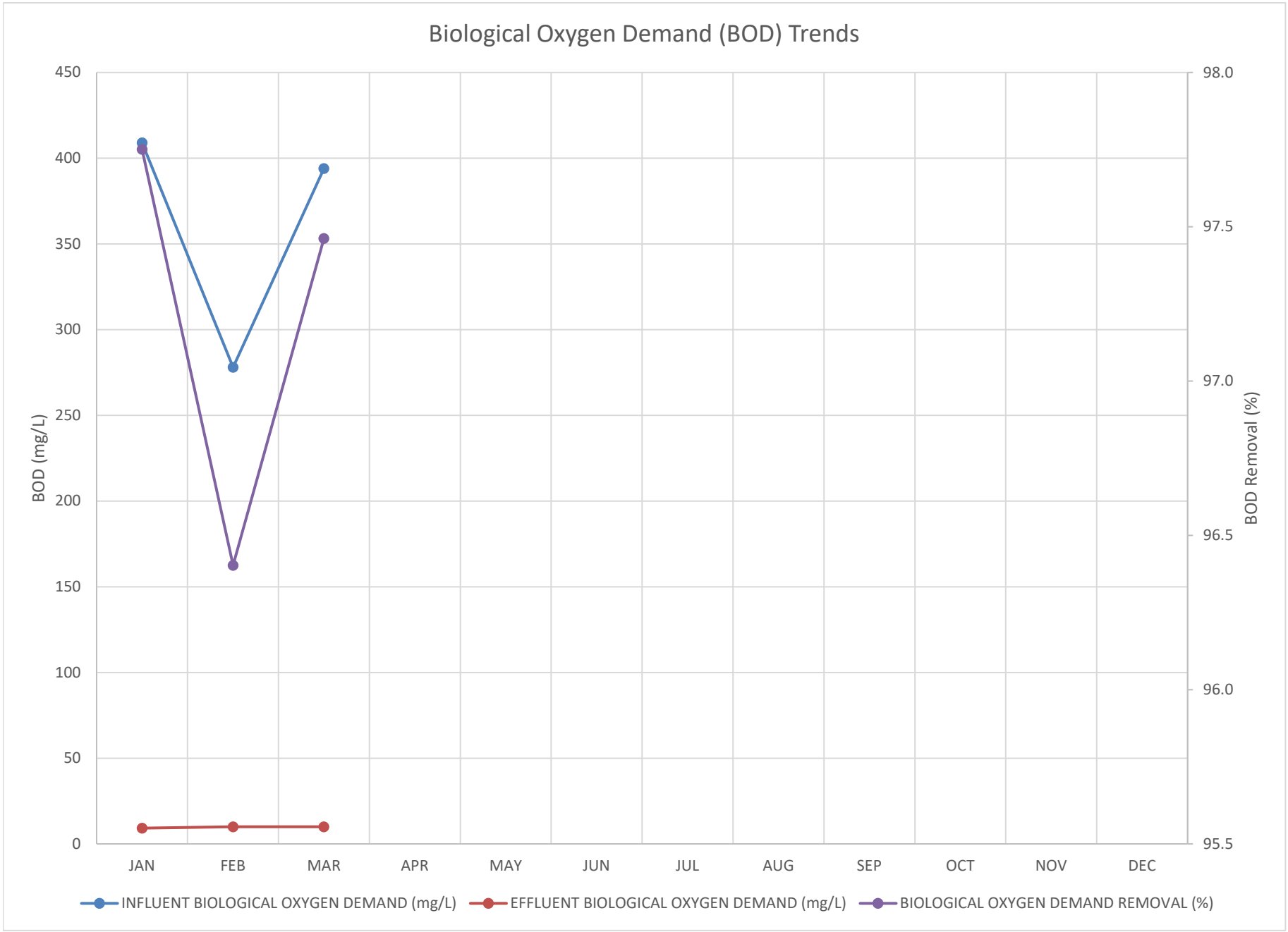
OPERATIONAL DATA FROM WATER RECYCLING PLANT

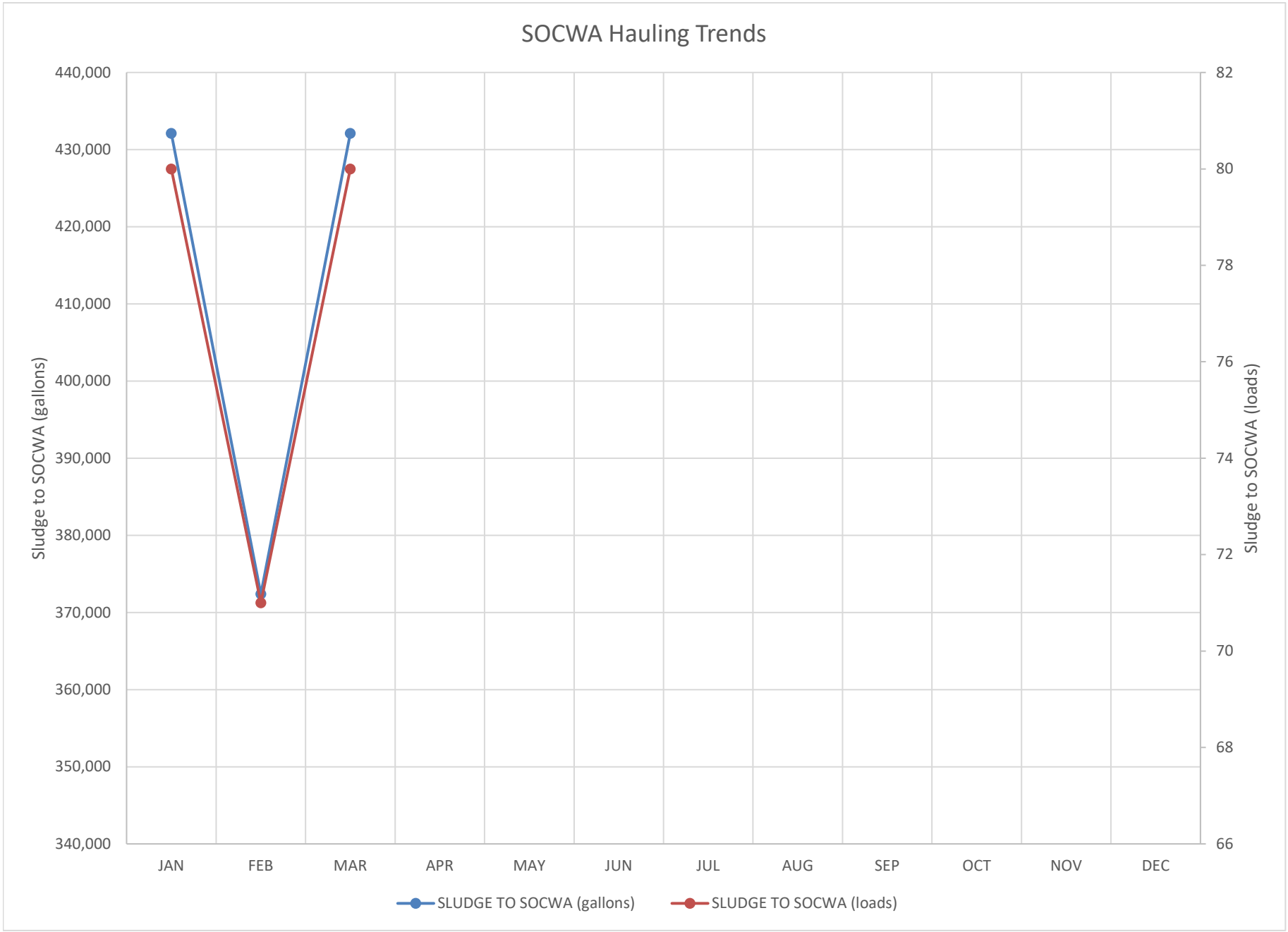
2024	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD Average
INFLUENT FLOW (mgd)	3.371	4.258	3.731										3.787
OCEAN OUTFALL (mgd)	3.384	4.458	3.657										3.833
WRP IRRIGATION/UTILITY (mgd)	0.061	0.060	0.063										0.061
GOLF COURSE IRRIGATION (mgd)	0.005	0.004	0.038										0.016
MAIN DISTRIBUTION IRRIGATION (mgd)	0.115	0.040	0.106										0.087
POTABLE AUGMENTATION (gallons)	0.000	0.000	0.000										0.000
POTABLE AUGMENTATION (mgd)	0.000	0.000	0.000										0.000
TOTAL RECYCLED WATER (mgd)	0.181	0.104	0.207										0.164
TOTAL EFFLUENT FLOW (mgd)	3.565	4.562	3.864										3.997
INFLUENT SUSPENDED SOLIDS (mg/L)	411	323	411										382
EFFLUENT SUSPENDED SOLIDS (mg/L)	21	15	18										18
SUSPENDED SOLIDS REMOVAL (%)	95	95	96										95
INFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)	409	278	394										360
EFFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)	9	10	10										10
BIOLOGICAL OXYGEN DEMAND REMOVAL (%)	98	96	97										97
SLUDGE TO SOCWA (gallons)	432,101	372,379	432,101										412,194
SOLIDS (dry lb/day)	4,541	5,058	5,436										5,012
TOTAL SOLIDS (%)	3.9	4.3	4.2										4.1
SLUDGE TO SOCWA (loads)	80	71	80										77
TRUCKED BY ETWD (loads)	80	71	80										77
TRUCKED BY OTHERS (loads)	0	0	0										0
TOTAL RAIN FALL (inches)	2.77	9.79	6.72										6.43

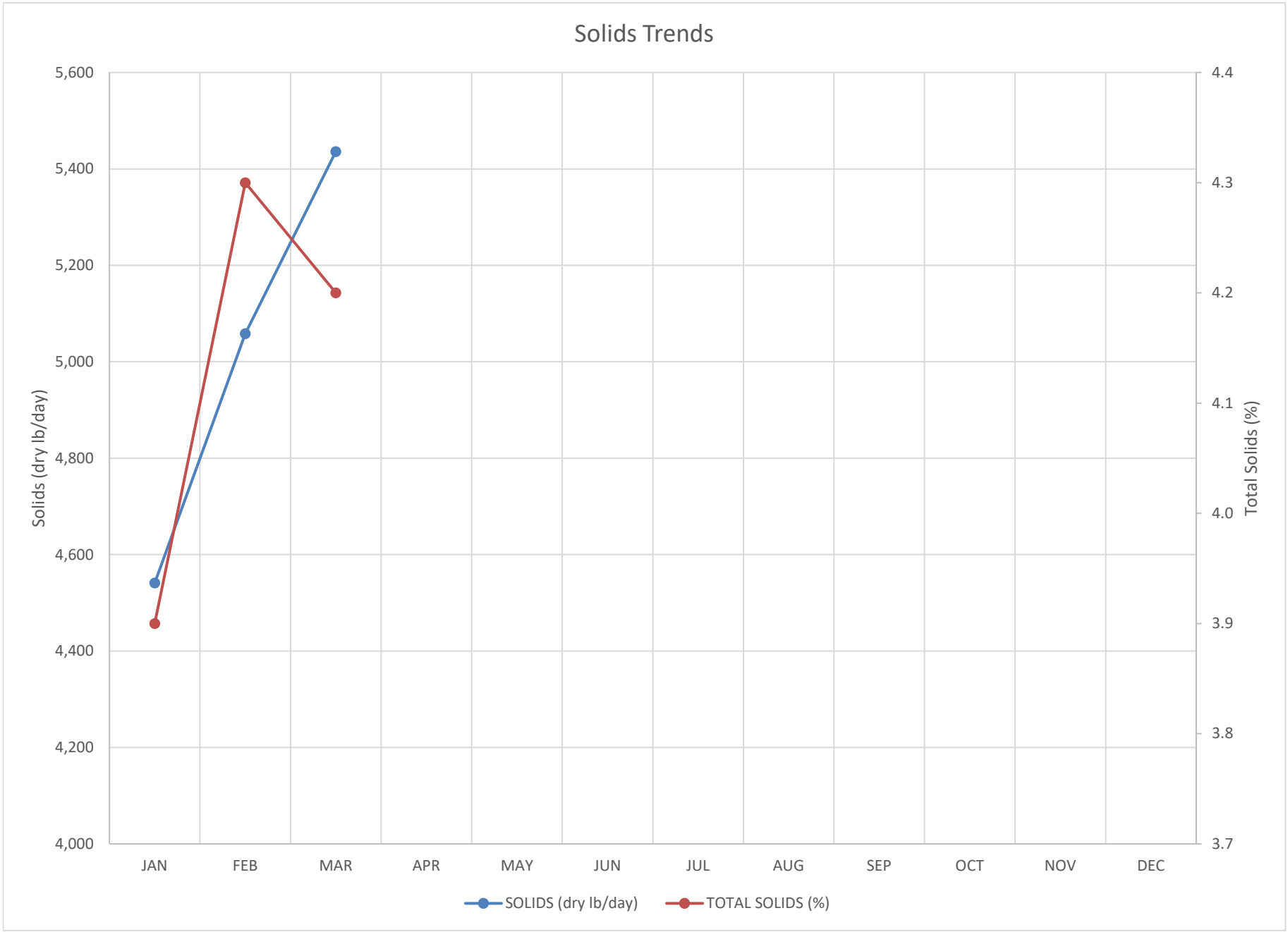

WRP Flow Trends
Average Daily Flow (mgd)
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
INFLUENT FLOW (mgd)
OCEAN OUTFALL (mgd)
TOTAL RECYCLED WATER (mgd)
TOTAL EFFLUENT FLOW (mgd)


Recycled Water Flow Trends
Average Daily Flow (mgd)
0.14
0.12
0.10
0.08
0.06
0.04
0.02
0.00
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
WRP IRRIGATION/UTILITY (mgd)
GOLF COURSE IRRIGATION (mgd)
MAIN DISTRIBUTION IRRIGATION (mgd)
POTABLE AUGMENTATION (mgd)


Suspended Solids Trends
Suspended Solids (mg/L)
Suspended Solids Removal (%)
450
400
350
300
250
200
150
100
50
0
95.7
95.6
95.5
95.4
95.3
95.2
95.1
95.0
94.9
94.8
94.7
94.6
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
INFLUENT SUSPENDED SOLIDS (mg/L)
EFFLUENT SUSPENDED SOLIDS (mg/L)
SUSPENDED SOLIDS REMOVAL (%)


Biological Oxygen Demand (BOD) Trends
BOD (mg/L)
BOD Removal (%)
450
400
350
300
250
200
150
100
50
0
98.0
97.5
97.0
96.5
96.0
95.5
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
INFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)
EFFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)
BIOLOGICAL OXYGEN DEMAND REMOVAL (%)

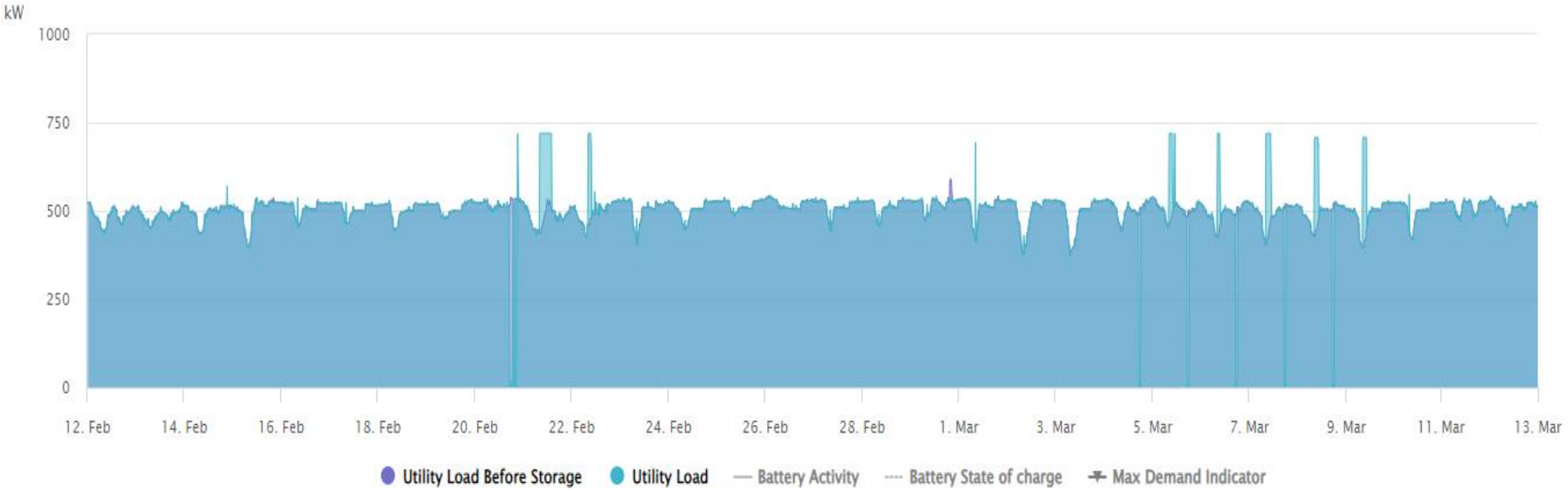

SOCWA Hauling Trends
Sludge to SOCWA (gallons)
Sludge to SOCWA (loads)
440,000
430,000
420,000
410,000
400,000
390,000
380,000
370,000
360,000
350,000
340,000
82
80
78
76
74
72
70
68
66
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
SLUDGE TO SOCWA (gallons)
SLUDGE TO SOCWA (loads)


Solids Trends
5,600
5,400
5,200
5,000
4,800
4,600
4,400
4,200
4,000
Solids (dry lb/day)
4.4
4.3
4.2
4.1
4.0
3.9
3.8
3.7
Total Solids (%)
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
SOLIDS (dry lb/day)
TOTAL SOLIDS (%)

WRP BATTERY STORAGE SYSTEM
MONTHLY REPORT

March 2024 **Year 5**

BILLING PERIOD	BILL SAVINGS	NET SAVINGS
08/11/23 - 09/12/23	$ 1,749.86	$ 159.86
09/12/23 - 10/11/23	$ 16,350.56	$ 14,760.56
10/11/23 - 11/09/23	$ 4,659.23	$ 3,069.23
11/09/23 - 12/12/23	$ 9,302.30	$ 7,712.30
12/12/23 - 01/11/24	$ 5,204.44	$ 3,614.44
01/11/24 - 02/12/24	$ (828.52)	$ (2,418.52)
02/14/24 - 03/13/24	$ (2,433.90)	$ (4,023.90)
TOTAL	**$ 34,003.97**	**$ 22,873.97**



Sewerage Treatment Plant

23542 Moulton Pkwy, Laguna Woods, CA 92637

Savings Report - 2024-03 **Feb 12, 2024 - Mar 13, 2024**

SCE TOU 8 Option D (< 2kV)

Demand Charges	Before Storage		After Storage		Savings	
Maximum Demand Charges	593kW	$13,908.85	725kW	$16,997.75	(132)kW	$(3,088.90)
Winter Mid-Peak (Weekdays)	593kW	$6,141.96	540kW	$5,592.20	53kW	$549.76
Sub-total		$20,050.81		$22,589.95		$(2,539.14)

Energy Charges	Before Storage		After Storage		Savings	
Winter Mid-Peak	77,316kWh	$10,536.53	73,101kWh	$9,961.23	4,215kWh	$575.30
Winter Off-Peak	167,429kWh	$22,685.54	167,578kWh	$22,705.72	(149)kWh	$(20.18)
Winter Super Off-Peak	118,879kWh	$10,871.75	123,787kWh	$11,321.63	(4,908)kWh	$(449.88)
Sub-total		$44,093.82		$43,988.58		$105.24

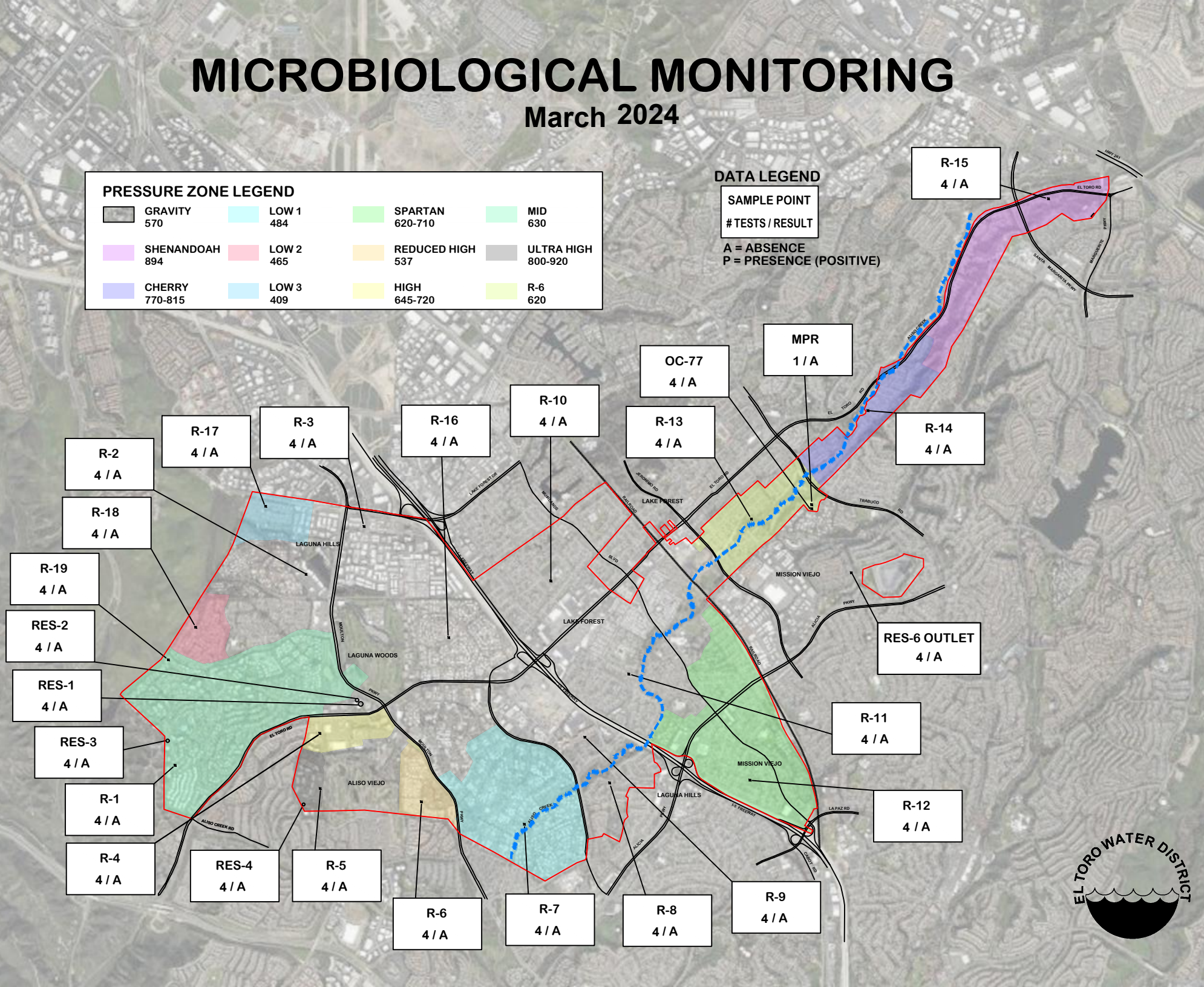
Other Monthly Charges	Before Storage		After Storage		Savings	
Customer and Other		$423.76		$423.76		$(0.00)
Sub-total		$423.76		$423.76		$(0.00)

Total	Before Storage		After Storage		Savings	
		$64,568.38		$67,002.28		$(2,433.90)

Note: The above data is calculated by Genability using utility meter data. If there were any gaps in the utility data, they were filled with Stem meter data. Your actual utility bill may look different from the data displayed above due to either issues in the utility data we were provided or in the Stem meter data collected. Some discrepancies are normal and to be expected. For this reason, Stem completes a thorough review of all data and reconciles discrepancies by comparing the Genability calculations of the energy storage system cost savings and total bill values with your utility bills. If you have an outstanding performance guarantee term, any discrepancies identified are adjusted for differences and reflected in your true up term statement.

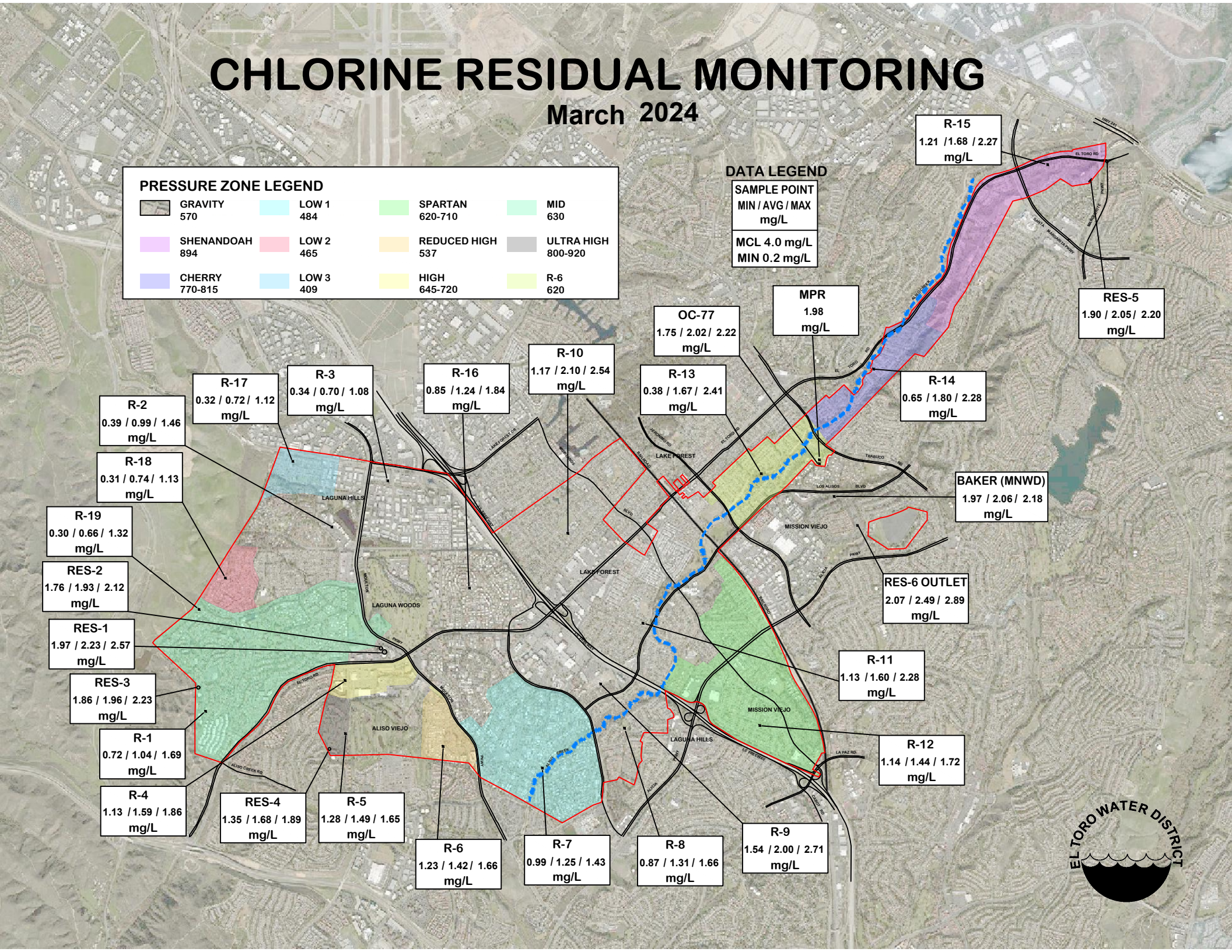
MICROBIOLOGICAL MONITORING

March 2024



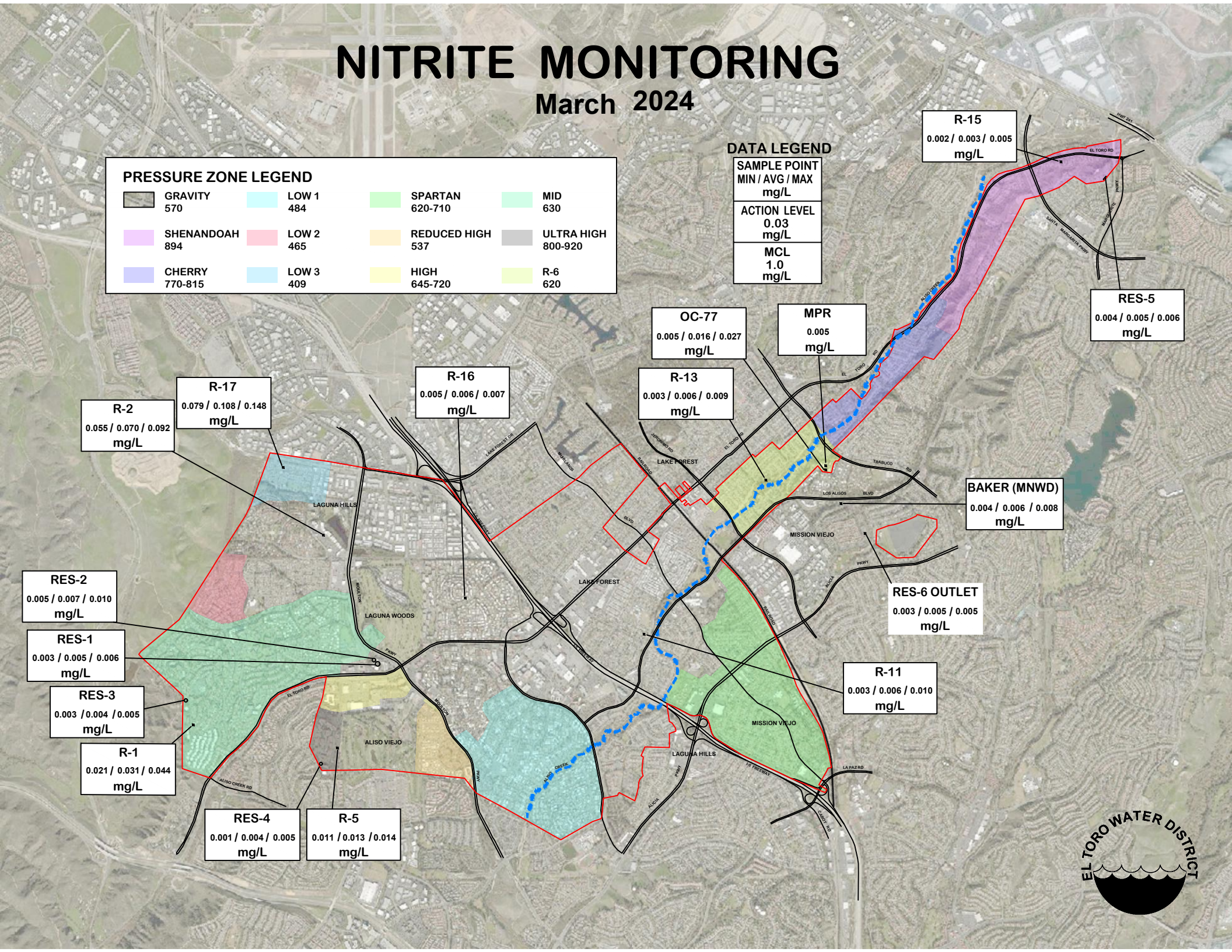
CHLORINE RESIDUAL MONITORING

March 2024



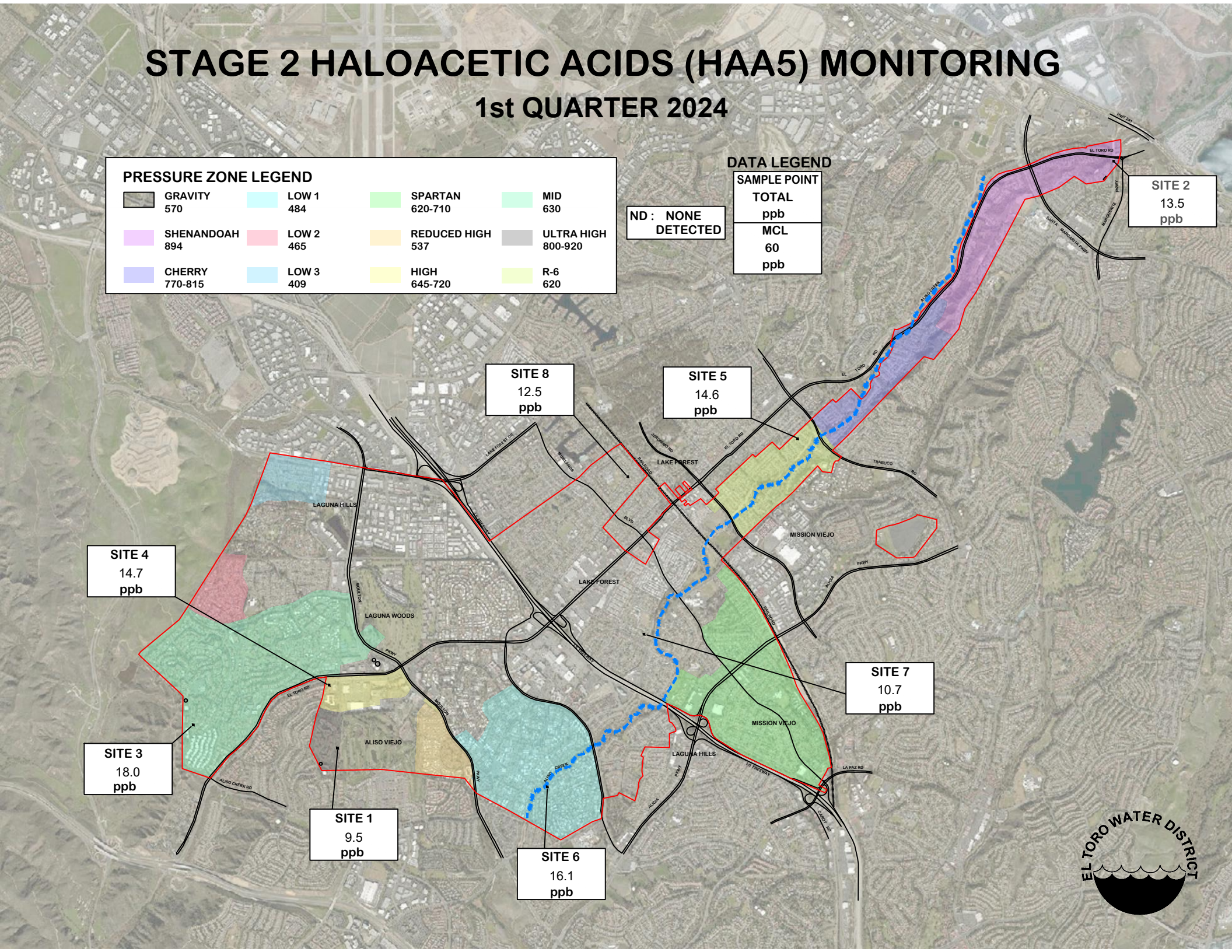
NITRITE MONITORING

March 2024



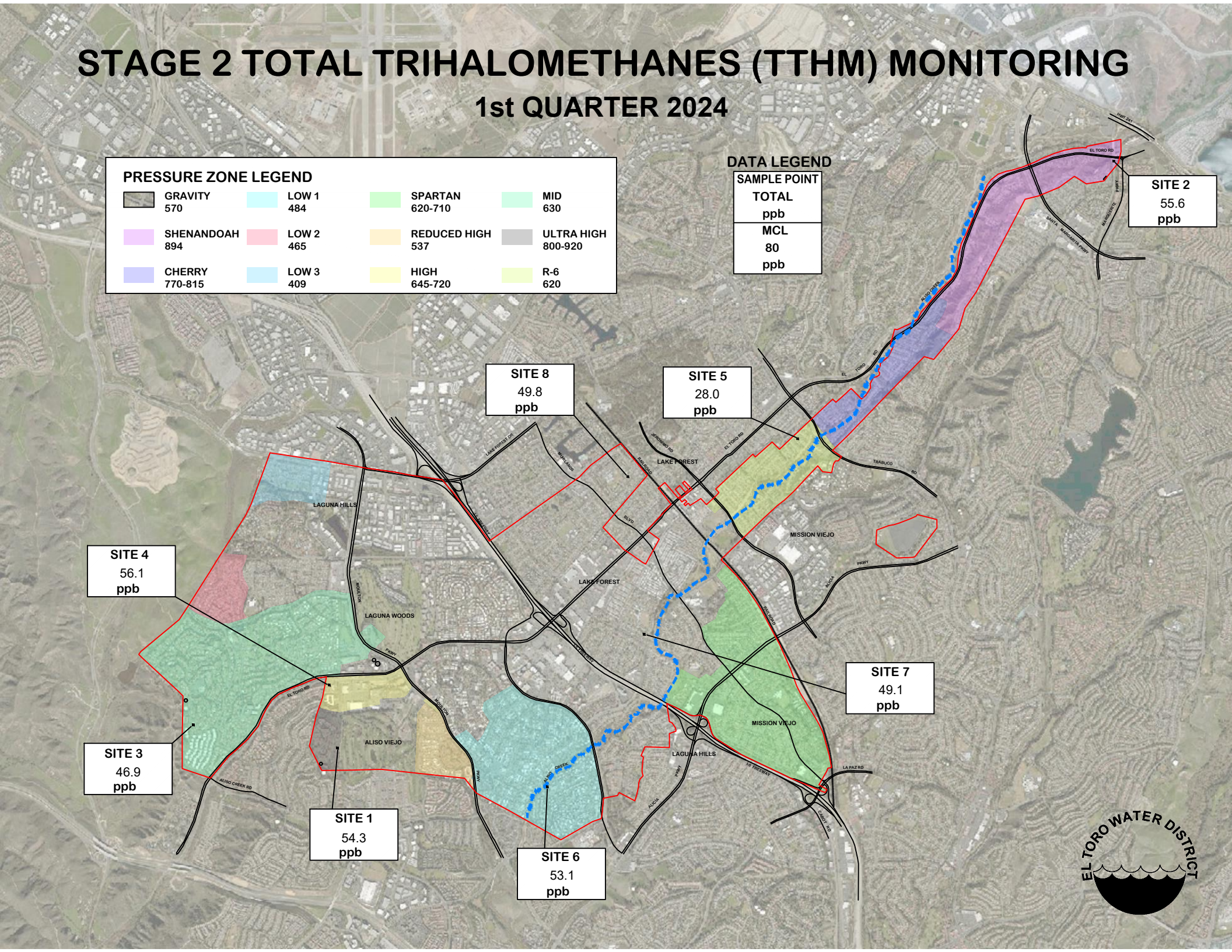
STAGE 2 HALOACETIC ACIDS (HAA5) MONITORING

1st QUARTER 2024



STAGE 2 TOTAL TRIHALOMETHANES (TTHM) MONITORING

1st QUARTER 2024



STAFF REPORT

To: Board of Directors **Meeting Date: April 22, 2024**

From: Hannah Ford, Director of Engineering
Rory Harnisch, Senior Engineer

Subject: Capital Project Status Report

I. R-6 Reservoir Floating Cover and Liner Project

District staff refilled the R-6 Reservoir this month prior to the planned Allen-McColloch Pipeline (AMP) shutdown on April 5th. During fill, the Total Trihalomethanes (TTHM) concentration in the AMP was approximately 23.4 micrograms per liter (µg/L). At the end of fill, the measured concentration of TTHM in the R-6 Reservoir was 49.2 µg/L, which is below the maximum contaminant level (MCL) of 80 µg/L. During the AMP shutdown, the District is relying largely on flows from Baker, JTM, and interties with Moulton Niguel and Irvine Ranch Water District.

II. New Warehouse

The general contractor Dumarc Corporation (Dumarc) continues with pre-engineered metal building (PEMB) installation. Dumarc finalized mechanical exhaust fan assembly installations, electrical lighting, interior sheathing, and finished window trim and soffit installation (Figure 1). Dumarc began installation of the shelving units and also surveyed the site for asphalt grading (Figure 2). Staff finalized Change Orders No. 2 and 3 with Dumarc to address an existing utility conflict, reduced asphalt paving scope, lighting fixture layout, and bollard installations.

Figure 1 – New Warehouse Interior

Figure 2 – Site Survey

District staff continues coordinating with the Air Quality Management District (AQMD) and their contractor in order for them to install a concrete pad, electrical duct bank, and equipment. While working with AQMD on a potholing schedule, District staff is drafting construction access and lease agreements.

District staff is also coordinating the burglary, fire, and access control systems for the Warehouse. Staff is evaluating proposals from two different vendors and will make a recommendation to the Board next month.

Dumarc anticipates demobilizing from the site in April 2024 after completing the PEMB and associated asphalt. The long lead item electrical components still have an anticipated delivery of early September 2024, at which time Dumarc will re-mobilize to the site for installation.

Table 1 summarizes the cost and schedule as percent complete. Dumarc's billings reflect work through February 2024. Budget expediture exceeds schedule completion because, although the majority of the work is complete, delayed installation of electrical is extending schedule.

Table 1 – New Warehouse Project Schedule and Budget Status

Construction Contract	Total	Earned to Date	Percent Complete
Budget	$2,164,842[1]	$1,666,835	77%
Schedule	June 13, 2023 – September 4, 2024		70%

[1]Includes Change Order Nos. 1, 2, and 3 with a net credit of $19,158.22.

III. Mathis Lift Station Inlet Piping Improvement Project

The project contractor, Tunnel Works Service, Inc (TWS) installed the cured-in-place-pipe lining in the influent sewer pipeline of the Mathis Lift Station (Mathis) in mid-February. TWS returned in late March to install the sewage collection bowl and drop pipe and plug the lower inlet penetration of the wet well to complete the project.

Actual expenditures are shown below in Table 2. The project was initiated by District staff as an emergency repair to address an inlet blockage and therefore did not have a budget.

Table 2 – Mathis Lift Station Inlet Piping Improvement Project Expenditure Summary

Contract Type	Contract Amount
TWS (Construction)[1]	$34,021.75
Dudek (Previous Design)[2]	$29,155.00
Reliner (Pre-Purchased Bowl)	$667.77
United Waterworks (Pre-Purchased Pipe)	$425.89
Construction Management[3]	$0
Total Project Costs	**$64,270.41**

[1]Includes Change Order No. 1 with a cost of $511.75.
[2]Staff previously developed a design which included installing two new manholes to reroute the inlet piping around the existing inlet before deciding to construct the current design with inlet pipe lining, installation of a bowl assembly, and plugging the lower wet well penetration.
[3]Staff self-performed the Design and Construction Management portions of the project.

IV. Aliso Creek Lift Station Rehabilitation

The consultant, Tetra Tech, Inc (Tetra Tech), provided the Aliso Creek Lift Station Alternatives Analysis Final Report (Report) in early April. The Report offered five alternatives while addressing emergency storage options, supporting electrical equipment including a new emergency generator, lift station design recommendations based on historical data and influent flow monitoring, and site access improvements for maintenance and operation. The Report discussed layouts of each alternative listing advantages and disadvantages for each before providing an estimate of construction costs. District staff worked with Tetra Tech and ultimately recommended alternative 1C, as shown below in Figure 3. Alternative 1C provides a 12-foot diameter wet well with three submersible pumps, a valve vault, a discharge flow meter vault, a relocated entrance gate for improved site accessibility, and an additional 20,000-gallons of emergency storage by converting the existing dry well.

District staff published a Request for Proposals (RFP) for the Final Design of the Aliso Creek Lift Station Rehabilitation on Planet Bids and held a pre-proposal meeting on April 17th, attended by five consultants. Proposals are due early June, and staff will present a recommendation for award to the Board at the June Engineering Committee Meeting.

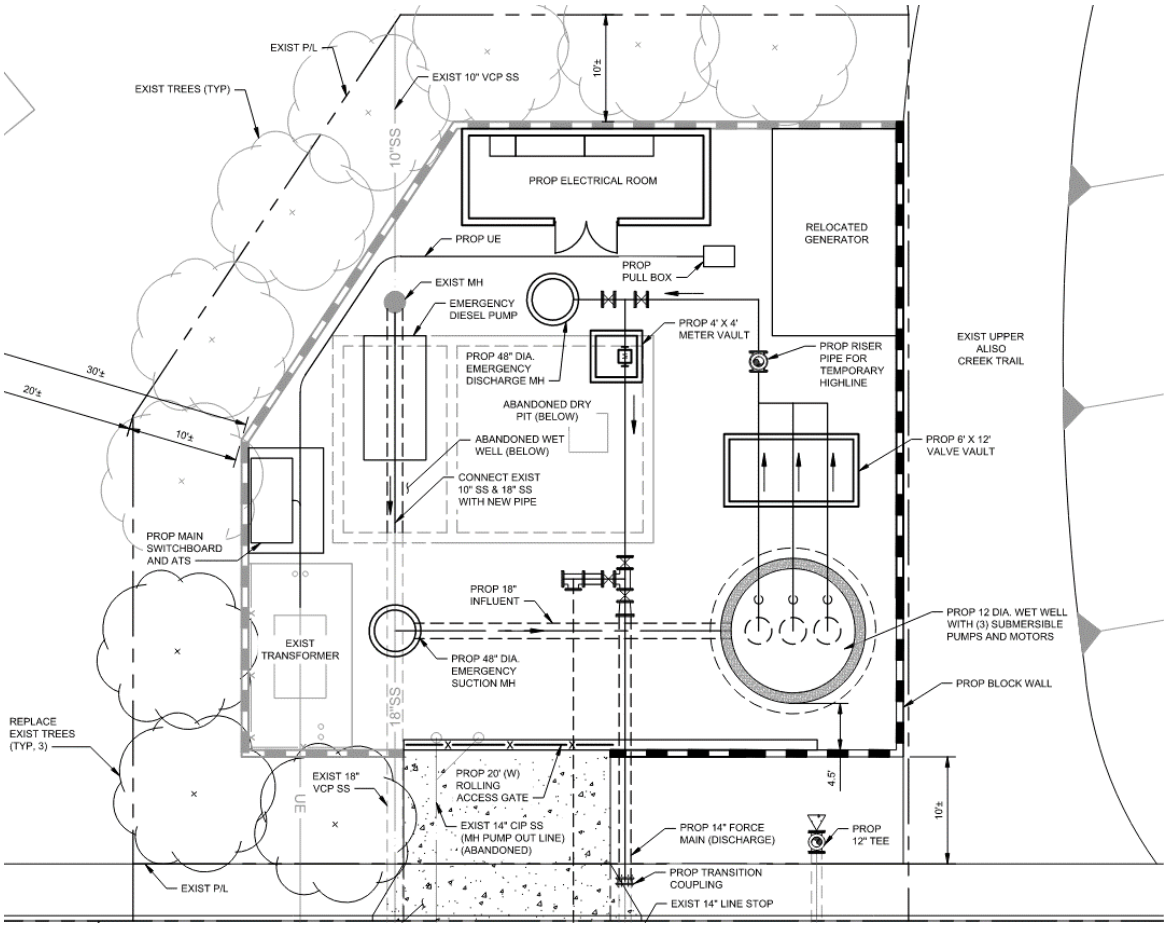


Figure 3 – Alternative 1C Plan View.

V. Headworks and Secondary Clarifier No. 1 Rehabilitation Project

Carollo Engineers, Inc. (Carollo) submitted the second part of the Basis of Design Report (BODR), and the District plans to complete review and return comments this month. District staff installed a free polymer test skid from Velodyne as shown in Figure 4, and plans to start testing by the end of this month. Carollo will hold a workshop to review the final BODR prior to kicking off final design at the end of April.

Figure 4 – Polymer Test Skid installed at WRP

VI. New Turbo Blower

Currently, the WRP has three blowers that provide air to the Aeration Basins, a critical function for removing biological oxygen demand (BOD) and facilitating biological treatment of the wastewater for permit compliance. One of the blowers is a high-efficiency Turbo blower, installed in 2016. The other two blowers are less efficient, centrifugal-type blowers installed during the 1995 reconstruction project. The WRP operates the Turbo blower at all times due to enhanced efficiency and aeration capacity. However, low dissolved oxygen (DO) concentrations in the Aeration Basins necessitate operation of one of the standby, centrifugal blowers several times each month. When DO drops, District staff turn on one of two older blowers to assist the duty Turbo blower and meet performance goals.

The WRP would benefit from a second Turbo blower to replace one of the aging centrifugal blowers and provide necessary redundancy for this critical process. Further, one of the centrifugal blowers catastrophically failed in February. The blower's motor inlet bearing erupted and interrupted the shaft, as shown in Figure 5. This failure left the WRP in a vulnerable position without a true standby blower during low DO conditions – creating urgency around the need for new Turbo blower.

Figure 5 – Catastrophic Failure of Centrifugal Blower

Lead times on new Turbo blowers are approximately 7 months. Given the criticality of this equipment, the District pursued a low-cost interim repair solution by purchasing an inexpensive, used centrifugal blower to replace the failed blower and provide backup during emergencies. In parallel, District staff developed a design for a new Turbo blower and associated harmonic filter with the goal of recommending Board approval next month.

VII. Tertiary Disinfection Optimization Project

The District submitted the tracer study findings to the Division of Drinking Water (DDW) in February, and DDW plans to return comments on the tracer study this month. Next, Trussell Technologies, Inc. (Trussell Tech) will finalize the District's proposal to lower the free chlorine concentration times time (CT) factor, and the District will submit to DDW for review and approval. Implementation of the low CT approach at the Tertiary Treatment Plant (TTP) is delayed until DDW approves the revised proposal, likely by the end of 2024.

VIII. Asset Management Program

As presented to the Board last month, the results of both the Pump Stations and WRP Departments are included on the same dynamic, digital dashboards. Budgetary projection in 2024 dollars indicate that Pump Stations and WRP need an annual investment of $4.5 million, as calculated by dividing the $226 million for partially contracted replacement costs by 50 years in Figure 6. Other capital expenses, such as those related to the distribution system, collection system, fleet, information technology (IT), and other facilities, average $2.6 million in needs based on the current 10-year CIP. Combining these two totals demonstrates the need

for an annual investment of $7.1 million, which is much greater than the current available capital budget of $3 million. The proposed rate increases to increase the capital budget over time serve to address this budgetary shortfall. In the meantime, funds from the revenue bond will be allocated to address the highest priority projects, such as the Headworks and Secondary Clarifier No. 1 Rehabilitation and the Aliso Creek Lift Station Rehabilitation.

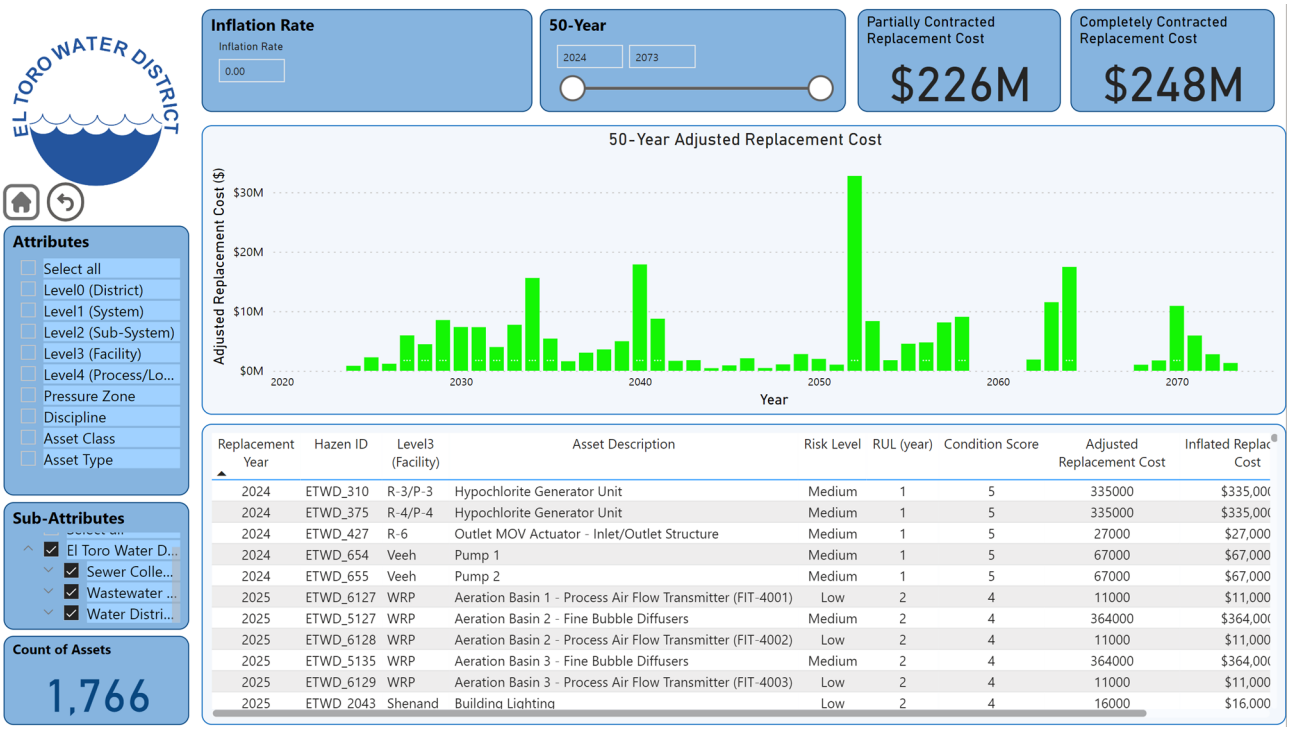


Figure 6 – 50-Year Replacement Cost Dashboard

Currently the CIP does not include any costs to replace aging water or sewer mains. As a next step, the District will develop asset management plans for the distribution system and collection system to inform budgeting of these assets.

Meanwhile, District staff are meeting with qualified Computerized Maintenance Management System (CMMS) vendors to develop real-time integration of workorder completion with asset management inventory condition scoring. The District has narrowed software providers to a short list of four vendors and will continue to refine scope and cost prior to selection. After evaluation, District staff will recommend implementation of CMMS at the WRP this year, where no CMMS is currently employed.

IX. WRP Main Electrical Power Breaker

The District coordinated a plant-wide shutdown on Wednesday, April 3rd, during which the new Automatic Transfer Switches (ATSs) were installed. However, the fourth pole on the ATSs was not installed due to lack of direction from Schneider Electric (Schneider) to their installer, ASCO. The District is coordinating with Schneider to obtain the necessary engineering and conduct a second shutdown for proper installation of the fourth pole.

X. System Wide Arc Flash and Coordination Study

District staff completed all necessary Southern California Edison (SCE) shutdowns and site investigations. Hazen is developing arc flash calculations for District review. Upon completion of these calculations, the District will install arc flash labels on equipment and make recommended protective device trip settings.

XI. Cathodic Protection Repair on Moulton Parkway

Based on the recommendation from Farwest Corrosion Control Company to install three magnesium beds along the pipeline to provide a preferred low resistance ground, the District solicited design proposals from qualified cathodic protection design specialists. The District selected Corrpro for final design of the recommended solution. Corrpro will develop bid documents and conduct any additional site investigations over the next two months.

XII. R-6 Reservoir Security System

A new server and Synology Network Attached Storage device, dedicated to the Genetec video management system, have been installed in the District's Main Office datacenter. District staff received the cradlepoint routers and configured them for communications from the R-6 Reservoir to the Main Office. Convergint received the pole and cameras, and District staff are working to schedule install the week of April 22nd.

XIII. Northline Coating Improvement Project

The contractor, MC Painting, Inc. (MC Painting), began the project in late February due to rain delays. MC Painting repaired the concrete behind the previous liner at each hatch location and then repaired the concrete at the entrance structure to the Northline Lift Station wet well. District staff rented a bypass pump during this time in order for MC painting to perform the work in the entrance. MC Painting is scheduled to complete the final repairs by the end of April. Staff is also negotiating a change order with MC painting for additional coatings performed to date and for upcoming additional repairs.

XIV. Caltrans I-5 Widening Utility Relocations

Phase C is nearly complete; the contractor, Paulus Engineering (Paulus), relocated the existing irrigation service lateral in mid-February. Paulus will install concrete pads around the relocated fire hydrants once the Caltrans contractor completes the surrounding curb, gutter, and sidewalk activities.

In mid-December, Caltrans discovered a conflict with the District's existing sewer manhole and a proposed curb-ramp due to the upcoming Village at Laguna Hills development. District staff are working with Caltrans to amend the existing utility agreement to rectify this conflict, which will likely involve adjusting the existing manhole's cone in relation to the outlets to allow the proposed curb-ramp to be installed by Caltrans.

XV. Energy Efficiency Analysis

District staff worked with InPipe Energy on a potential solution for energy recovery at the Main Pressure Reducing (MPR) station. The current 10-year capital budget does not currently include the $210,650 the District would need to invest for approximately $23,480 in annual savings.

District staff continue to coordinate with SoCalREN on potential rebates for energy efficiency projects. Unfortunately, most of the District's projects are ineligible based on timing or equipment type.

F.Y. 2023/24 CAPITAL IMPROVEMENT PROGRAM BUDGET ITEMS > $50,000
BOARD APPROVAL SCHEDULE

Category	Project Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Revenue Bond / CIP Budget	Board Approved Cost
2023/24 Capital Projects															
	P-3 Pump Station Rehabilitation	Deferred in pursuit of grant funding												$200,000	
	Moulton/El Toro Cathodic Protection Study	ET	ET	ET	ET	ET	ET	ET	ET	RFP	E	E	E	$100,000	< $50,000
	Surcharge Capacity Repair on Gowdy Avenue	Cancelled project due to marginal benefit relative to cost and complexity												$52,000	
	Northline Coating Improvement Project					B	A	C	C	C	C			$91,000	$63,168
	Headworks and Secondary Clarifier Rehabilitation			RFP	RFP	A	E	E	E	E	E	E	E	$2,926,000	$785,217
	Grit Chamber Rehabilitation	E	A	E	E	B	B	B	B	A	C	C	C	$861,861	$542,228
	DAF Unit No. 2 Rehabilitation Project	A	C	C	C	C	C							$221,641	$209,595
	Aliso Creek Pump Station Rehabilitation Project	RFP	RFP	A	E	E	E	E	E	E	RFP	RFP	A	$826,000	$120,000
	Asset Management	A	E	E	E	E	E	E	E	BP				$120,000	$113,140
	System-Wide Arc Flash and Coordination Study	RFP	A	E	E	E	E	E	E	E	E			$180,000	$179,550
2023/24 Capital Equipment															
	R-6 Security Cameras and Fence Alarm Replacement			A	C	C	C	C	C	C	C	C		$84,000	$114,234
	Freeway Electrical Equipment Replacement		A	Equipment receipt expected next fiscal year										$110,000	$155,646
	Core Switch Replacement	Ordered and received, total cost was within GM authority												$63,000	< $50,000
Revenue Bond Projects															
	R-6 Reservoir Floating Cover	C	C	A	C	C	C	C	C					$12,442,344	$11,903,880
	New Warehouse	C	C	C	C	C	C	C	C	C	C			$4,006,421	$3,924,409
	South Orange County Turnout Project	Coordinating with MNWD on schedule												$3,000,000	
Previous Fiscal Year Carryover															
	P-4 Pump Replacement	ET	A									R	C	$59,000	$73,701
	ETM Backflow Prevention Project	C	C	C	C									-	$304,463
	Tertiary Disinfection Optimization Project	A	E	E	E	E	E	E	E	E	E	E	P	-	$107,321
	Effluent Pump Station Rehabilitation		C	C	C									$150,000	$425,000
	WRP Main Electrical Power Breaker Upgrades						R	R	R		C			$140,000	$196,124
	Mathis Lift Station Inlet Drop Piping Repair	E	E	E	A	C	C	C	C	C	C			-	$33,510
	Caltrans I-5 Widening Utility Relocations							C	C	C	C			$0	$627,365
													Total	$25,633,267	$19,878,551

Key:

- Water
- Wastewater
- Split between Water and Wastewater
- Board Involvement

Abbreviations:

- A = Approve by Board
- B = Bid
- BP = Board Presentation
- C = Construction
- E = Engineering/Study
- ET = Evaluate
- L = Legal
- N = Negotiate
- O = Order
- P = Permit
- RFP = Request for Proposal
- R = Receive

EL TORO WATER DISTRICT
Glossary of Water Terms

Accumulated overdraft: The amount of water necessary to be replaced in the intake area of the groundwater basin to prevent the landward movement of ocean water into the fresh groundwater body.

Acre-foot, AF: A common water industry unit of measurement. An acre-foot is 325,851 gallons, or the amount of water needed to cover one acre with water one foot deep. An acre-foot serves annual needs of two typical California families.

ACWA: Association of California Water Agencies.
A statewide group based in Sacramento that actively lobbies State and Federal Government on water issues.

Advanced treatment: Additional treatment processes used to clean wastewater even further following primary and secondary treatment. Also known as tertiary treatment.

AFY: Acre-foot per year.

Alluvium: A stratified bed of sand, gravel, silt, and clay deposited by flowing water.

AMP: Allen McCulloch pipeline.

Major pipeline transporting treated water to water districts between Yorba Linda, where it starts to El Toro Water District reservoir, where it terminates.

Annexation: The inclusion of land within a government agency's jurisdiction.

Annual overdraft: The quantity by which the production of water from the groundwater supplies during the water year exceeds the natural replenishment of such groundwater supplies during the same water year.

Aqueduct: A man-made canal or pipeline used to transport water.

Aquifer: An underground geologic formation of rock, soil or sediment that is naturally saturated with water; an aquifer stores groundwater.

Arid: Dry; deserts are arid places. Semi-arid places are almost as dry as a desert.

Artesian: An aquifer in which the water is under sufficient pressure to cause it to rise above the bottom of the overlying confining bed, if the opportunity is provided.

Artificial recharge: The addition of surface water to a groundwater reservoir by human activity, such as putting surface water into recharge basins. (See also: groundwater recharge and recharge basin.)

AWWA American Water Works Association
Nationwide group of public and private water purveyors and related industrial suppliers.

Base flow: The portion of river surface flow which remains after deduction of storm flow and/or purchased imported water.

Bay-Delta: The Sacramento-San Joaquin Bay-Delta is a unique natural resource of local, state and national significance. The Delta Is home to more than 500,000 people; contains 500,000 acres of agriculture; provides habitat for 700 native plant and animal species; provides water for more than 25 million Californians and 3 million acres of agriculture; is traversed by energy, communications and transportation facilities vital to the economic health of California; and supports a $400 billion economy.

BIA: Building Industry Association.

Biofouling: The formation of bacterial film (biofilm) on fragile reverse osmosis membrane surfaces.

Biosolids: Solid organic matter recovered from a sewage treatment process and used especially as fertilizer.

BMP: Best Management Practice. An engineered structure or management activity, or combination of these, that eliminates or reduces adverse environmental effects.

Brackish water: A mixture of freshwater and saltwater.

Brown Act: Ralph M. Brown Act enacted by the State legislature governing all meetings of legislative bodies. Also know as the Open Meeting requirements.

Canal: A ditch used to move water from one location to another.

CASA: California Association of Sanitation Agencies The sanitation equivalent of ACWA concerned solely with issues affecting the treatment and disposal of solid waste and wastewater.

CEQA: California Environmental Quality Act.

CERCLA: Comprehensive Environmental Response, Compensation and Liability Act. This federal law establishes the Superfund program for hazardous waste sites. It provides the legal basis for the United States EPA to regulate and clean up hazardous waste sites, and if appropriate, to seek financial compensation from entities responsible for the site.

CFS: Cubic feet per second.

Chloramines: A mixture of ammonia and chlorine used to purify water.

Clarify: To make clear or pure by separation and elimination of suspended solid material.

Coagulation: The clumping together of solids so they can more easily be settled out or filtered out of water. A chemical called aluminum sulfate (alum) is generally used to aid coagulation in water treatment and reclamation.

Coastkeepers: A non-profit organization dedicated to the protection and preservation of the marine habitats and watersheds of Orange County through programs of education, restoration, enforcement and advocacy.

Colored water: Groundwater extracted from the basin that is unsuitable for domestic use without treatment due to high color and odor exceeding drinking water standards.

Condensation: The process of water vapor (gas) changing into liquid water. An example of condensation can be seen in the tiny water droplets that form on the outside of a glass of iced tea as warmer air touches the cooler glass.

Confined aquifer: An aquifer that is bound above and below by dense layers of rock and contains water under pressure.

Conjunctive use: Storing imported water in a local aquifer, in conjunction with groundwater, for later retrieval and use.

Contaminate: To make unclean or impure by the addition of harmful substances.

CPCFA: California Pollution Control Financing Authority. State agency providing funds for wastewater reclamation projects.

Crisis:
1. **a:** The turning point for better or worse **b:** a paroxysmal attack of pain, distress, or disordered function **c:** an emotionally significant event or radical change of status in a person's life <a midlife *crisis*>
2. The decisive moment (as in a literary plot)
3. **a:** An unstable or crucial time or state of affairs in which a decisive change is impending; *especially* **:** one with the distinct possibility of a highly undesirable outcome <a financial *crisis*> **b:** a situation that has reached a critical phase

CTP Coastal Treatment Plant

CWPCA California Water Pollution Control Association. A 7000 member non-profit educational organization dedicated to water pollution control.

Dam: A barrier built across a river or stream to hold water.

Decompose: To separate into simpler compounds, substances or elements.

Deep percolation: The percolation of surface water through the ground beyond the lower limit of the root zone of plants into a groundwater aquifer.

Degraded water: Water within the groundwater basin that, in one characteristic or another, does not meet primary drinking water standards.

Delta: Where the rivers empty; an outlet from land to ocean, also where the rivers deposit sediment they carry forming landforms.

Delta Vision: Delta Vision is intended to identify a strategy for managing the Sacramento-San Joaquin Delta as a sustainable ecosystem that would continue to support environmental and economic functions that are critical to the people of California.

Demineralize: To reduce the concentrations of minerals from water by ion exchange, distillation, electro-dialysis, or reverse osmosis.

De-nitrification: The physical process of removing nitrate from water through reverse osmosis, microfiltration, or other means.

Desalting (or desalination): Removing salts from salt water by evaporation or distillation. Specific treatment processes, such as reverse osmosis or multi-stage flash distillation, to demineralize seawater or brackish (saline) waters for reuse. Also sometimes used in wastewater treatment to remove salts other pollutants.

Desilting: The physical process of removing suspended particles from water.

Dilute: To lessen the amount of a substance in water by adding more water.

Disinfection: Water treatment which destroys potentially harmful bacteria.

Drainage basin: The area of land from which water drains into a river, for example, the Sacramento River Basin, in which all land area drains into the Sacramento River. Also called catchment area, watershed, or river basin.

Drought: A prolonged period of below-average precipitation.

DPHS: California Department of Public Health Services. Regulates public water systems; oversees water recycling projects; permits water treatment devices; certifies drinking water treatment and distribution operators; supports and promotes water system security; provides support for small water systems and for improving technical, managerial, and financial (TMF) capacity; provides funding opportunities for water system improvements.

DVL: Diamond Valley Lake. Metropolitan's major reservoir near Hemet, in southwestern Riverside County.

DWR: California Department of Water Resources. Guides development/management of California's water resources; owns/operates State Water Project and other water facilities.

Endangered Species: A species of animal or plant threatened with extinction.

Endangered Species Act of 1973 (ESA): The most wide-ranging of the dozens of United States environmental laws passed in the 1970s. As stated in section 2 of the act, it was designed to protect critically imperiled species from extinction as a "consequence of economic growth and development untendered by adequate concern and conservation.

Ecosystem: Where living and non-living things interact (coexist) in order to survive.

Effluent: Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

Evaporation: The process that changes water (liquid) into water vapor (gas).

Estuary: Where fresh water meets salt water.

Evapotransporation: The quantity of water transpired (given off), retained in plant tissues, and evaporated from plant tissues and surrounding soil surface. Quantitatively, it is expressed in terms of depth of water per unit area during a specified period of time.

FCH Federal Clearing House – Environmental Review/Processing

FEMA Federal Emergency Management Agency

Filtration: The process of allowing water to pass through layers of a porous material such as sand, gravel or charcoal to trap solid particles. Filtration occurs in nature when rain water soaks into the ground and it passes through hundreds of feet of sand and gravel. This same natural process of filtration is duplicated in water and wastewater treatment plants, generally using sand and coal as the filter media.

Flocculation: A chemical process involving addition of a coagulant to assist in the removal of turbidity in water.

Forebay: A reservoir or pond situated at the intake of a pumping plant or power plant to stabilize water level; also, a portion of a groundwater basin where large quantities of surface water can recharge the basin through infiltration.

Gray water reuse: Reuse, generally without treatment, of domestic type wastewater for toilet flushing, garden irrigation and other non-potable uses. Excludes water from toilets, kitchen sinks, dishwashers, or water used for washing diapers.

Green Acres Project (GAP): A 7.5 million gallons per day (MGD) water reclamation project that serves tertiary treated recycled water to irrigation and industrial users in Costa Mesa, Fountain Valley, Huntington Beach, Newport Beach, and Santa Ana.

God Squad: A seven-member committee that is officially called the "Endangered Species Committee". Members consist of Secretary of the Interior, the Secretary of Agriculture, the Secretary of the Army, the Chairman of the Council of Economic Advisers, the Administrator of the National Oceanic and Atmospheric Administration and one individual from the affected state. The squad was established in 1978 by an amendment to the 1973 Endangered Species Act (ESA). It has only been called into action three times to deal with proposed federal agency actions that have been determined to cause "jeopardy" to any listed species. Such actions may receive an exemption from the ESA if five members of the committee determine that the action is of regional or national significance, that the benefits of the action clearly outweigh the benefits of conserving the species and that there are no reasonable and prudent alternatives to the action.

Groundwater: Water that has percolated into natural, underground aquifers; water in the ground, not water puddled on the ground.

Groundwater basin: A groundwater reservoir defined by the overlying land surface and the underlying aquifers that contain water stored in the reservoir. Boundaries of success-ively deeper aquifers may differ and make it difficult to define the limits of the basin.

Groundwater mining: The withdrawal of water from an aquifer in excess of recharge over a period of time. If continued, the underground supply would eventually be exhausted or the water table could drop below economically feasible pumping lifts.

Groundwater overdraft: The condition of a groundwater basin in which the amount of water withdrawn by pumping exceeds the amount of water that recharges the basin over a period of years during which water supply conditions approximate average.

Groundwater recharge: The action of increasing groundwater storage by natural conditions or by human activity. See also: Artificial recharge.

Ground Water Replenishment System (GWRS): A joint project of the Orange County Water District and the Orange County Sanitation District that will provide up to 100,000 acre-feet of reclaimed water annually. The high-quality water will be used to expand an existing underground seawater intrusion barrier and to replenish the groundwater basin underlying north and central Orange County.

Groundwater table: The upper surface of the zone of saturation (all pores of subsoil filled with water), except where the surface if formed by an impermeable body.

GPM: Gallons per minute.

Ground Water Replenishment System (GWRS): Orange County Water District's state-of-the-art, highly advanced, waste-water treatment facility.

Hydrologic balance: An accounting of all water inflow to, water outflow from, and changes in water storage within a hydrologic unit over a specified period.

Hydrologic cycle: The process of water constantly circulating from the ocean, to the atmosphere, to the earth in a form of precipitation, and finally returning to the ocean.

Imported water: Water that has originated from one hydrologic region and is transferred to another hydrologic region.

Inflatable rubber dams: Designed to replace temporary sand levees that wash out during heavy storm flow, the dams hold back high-volume river flows and divert the water into the off-river system for percolation.

Influent: Water or wastewater entering a treatment plant, or a particular stage of the treatment process.

Irrigation: Applying water to crops, lawns or other plants using pumps, pipes, hoses, sprinklers, etc.

JPIA Joint Powers Insurance Authority. A group of water agencies providing self-insurance to members of the ACWA.

LAIF Local Agency Investment Fund. Statewide pool of surplus public agency money managed by State Treasurer.

Leach: To remove components from the soil by the action of water trickling through.

MAF: Million acre feet.

MCL: Maximum contaminant level set by EPA for a regulated substance in drinking water. According to health agencies, the maximum amount of a substance that can be present in water that's safe to drink and which looks, tastes and smells good.

MET: Metropolitan Water District of Southern California.

MGD: Million gallons per day.

Microfiltration: A physical separation process where tiny, hollow filaments members separate particles from water.

Microorganism: An animal or plant of microscopic size.

MWD: Metropolitan Water District of Southern California.

MWDOC: Municipal Water District of Orange County. Intermediate wholesaler between MWD and 27 member agencies including ETWD.

Non-point source pollution: Pollution that is so general or covers such a wide area that no single, localized source of the pollution can be identified.

NPDES National Pollution Discharge Elimination System

OCBC: Orange County Business Council.

OCEMA Orange County Environmental Management Agency

OCWD: Orange County Water District.

Opportunity:
1. A favorable juncture of circumstances.
2. A good chance for advancement or progress .

Organism: Any individual form of life, such as a plant, animal or bacterium.

PCM Professional Community Management, Inc. Property Management company providing services to Laguna Woods Village and other homeowner associations.

Perched groundwater: Groundwater supported by a zone of material of low permeability located above an underlying main body of groundwater with which it is not hydrostatically connected.

Percolation: The downward movement of water through the soil or alluvium to the groundwater table.

Permeability: The capability of soil or other geologic formations to transmit water.

Point source: A specific site from which waste or polluted water is discharged into a water body, the source of which is identified. See also: non-point source.

Potable water: Suitable and safe for drinking.

PPB: Parts per billion.

Precipitation: Water from the atmosphere that falls to the ground as a liquid (rain) or a solid (snow, sleet, hail).

Primary treated water: First major treatment in a wastewater treatment facility, usually sedimentation but not biological oxidation.

Primary treatment: Removing solids and floating matter from wastewater using screening, skimming and sedimentation (settling by gravity).

Prior appropriation doctrine: Allocates water rights to the first party who diverts water from its natural source and applies the water to beneficial use. If at some point the first appropriator fails to use the water beneficially, another person may appropriate the water and gain rights to the water. The central principle is beneficial use, not land ownership.

Pumping Plant: A facility that lifts water up and over hills.

Recharge: The physical process where water naturally percolates or sinks into a groundwater basin.

Recharge basin: A surface facility, often a large pond, used to increase the infiltration of surface water into a groundwater basin.

Reclaimed wastewater: Wastewater that becomes suitable for a specific beneficial use as a result of treatment. See also: wastewater reclamation.

Reclamation project: A project where water is obtained from a sanitary district or system and which undergoes additional treatment for a variety of uses, including landscape irrigation, industrial uses, and groundwater recharge.

Recycling: A type of reuse, usually involving running a supply of water through a closed system again and again. Legislation in 1991 legally equates the term "recycled water" to reclaimed water.

Reservoir: A place where water is stored until it is needed. A reservoir can be an open lake or an enclosed storage tank.

Reverse osmosis: (RO) A method of removing salts or other ions from water by forcing water through a semi-permeable membrane.

RFP Request for Proposal

Riparian: Of or on the banks of a stream, river, or other body of water.

RO: Reverse osmosis. See the listing under "reverse osmosis."

R-O-W Right-of-way

Runoff: Liquid water that travels over the surface of the Earth, moving downward due to gravity. Runoff is one way in which water that falls as precipitation returns to the ocean.

RWQCB Regional Water Quality Control Board. State agency regulating discharge and use of recycled water.

Safe Drinking Water Act (SDWA): The Safe Drinking Water Act (SDWA) was originally passed by Congress in 1974 to protect public health by regulating the nation's public drinking water supply. The law was amended in 1986 and 1996 and requires many actions to protect drinking water and its sources: rivers, lakes, reservoirs, springs, and ground water wells. (SDWA does not regulate private wells which serve fewer than 25 individuals.) SDWA authorizes the United States Environmental Protection Agency (US EPA) to set national health-based standards for drinking water to protect against both naturally-occurring and man-made contaminants that may be found in drinking water. US EPA, states, and water systems work together to make sure that these standards are met.

Safe yield: The maximum quantity of water that can be withdrawn from a groundwater basin over a long period of time without developing a condition of overdraft, sometimes referred to as sustained yield.

SAFRA Santa Ana River Flood Protection Agency

Salinity: Generally, the concentration of mineral salts dissolved in water. Salinity may be measured by weight (total dissolved solids - TDS), electrical conductivity, or osmotic pressure. Where seawater is known to be the major source of salt, salinity is often used to refer to the concentration of chlorides in the water.

SAWPA: Santa Ana Watershed Project Authority.

SCADA Supervisory Control and Data Acquisition

SCAP Southern California Alliance of Publicly. Newly formed group of public agencies seeking reasonable regulation of sewer industry.

SCH State Clearing House – Environmental Review/Processing

Seasonal storage: A three-part program offered by Metropolitan Water District of Southern California:

> **STSS (Short Term Seasonal Storage)** financially encourages agencies with local groundwater production capabilities to produce a higher percentage of their demand in the summer from their local groundwater supplies, thus shifting a portion of their demand on the MWD system from the summer to winter;
>
> **LTSS (Long Term Seasonal Storage)** financially encourages retail agencies to take and store additional amounts of MWD water above their normal annual demands for later use; Replenishment Water provides less expensive interruptible water that is generally available and used to increase the operating yield of groundwater basins.

Seawater intrusion: The movement of salt water into a body of fresh water. It can occur in either surface water or groundwater basins.

Seawater barrier: A physical facility or method of operation designed to prevent the intrusion of salt water into a body of freshwater.

Secondary treatment: The biological portion of wastewater treatment which uses the activated sludge process to further clean wastewater after primary treatment. Generally, a level of treatment that produces 85 percent removal efficiencies for biological oxygen demand and suspended solids. Usually carried out through the use of trickling filters or by the activated sludge process.

Sedimentation: The settling of solids in a body of water using gravity.

Settle: To clarify water by causing impurities/solid material to sink to a container's bottom.

Sewer: The system of pipes that carries wastewater from homes and businesses to a treatment plant or reclamation plant. Sewers are separate from storm drains, which is a system of drains and pipes that carry rain water from urban streets back to the ocean. Overwatering your yard can also cause water to run into the streets and into storm drains. Storm drain water is not treated before it is discharged.

SigAlert: Any unplanned event that causes the closing of one lane of traffic for 30 minutes or more, as opposed to a planned event, like road construction, which is planned.

SJBA San Juan Basin Authority

Sludge: The solids that remain after wastewater treatment. This material is separated from the cleaned water, treated and composted into fertilizer. Also called biosolids.

SOCWA South Orange County Wastewater Authority. Regional Joint Powers Authority formed for collection and treatment of sewerage (previously known as AWMA/SERRA/SOCRA). SOCWA member agencies:

CSC – City of San Clemente

CSJC – City of San Juan Capistrano

CLB – City of Laguna Beach

ETWD – El Toro Water District

EBSD – Emerald Bay Service District

IRWD – Irvine Ranch Water District

MNWD – Moulton Niguel Water District

SCWD – South Coast Water District

SMWD – Santa Margarita Water District

TCWD – Trabuco Canyon Water District

SRF State Revolving Fund

Storm Drain: The system of pipes that carries rain water from urban streets back to the ocean. Overwatering your yard can also cause water to run into the streets and into storm drains. Storm drain

water is not treated before it is discharged. Storm drains are separate from sewers, which is a separate system of pipes to carry wastewater from homes and businesses to a treatment plant or reclamation plant for cleaning.

Storm flow: Surface flow originating from precipitation and run-off which has not percolated to an underground basin.

SWP: State Water Project. An aqueduct system that delivers water from northern California to central and southern California.

SWRCB State Water Resources Control Board

TDS: Total dissolved solids. A quantitative measure of the residual minerals dissolved in water that remain after evaporation of a solution. Usually expressed in milligrams per liter.

Tertiary treatment: The treatment of wastewater beyond the secondary or biological stage. Normally implies the removal of nutrients, such as phosphorous and nitrogen, and a high percentage of suspended solids.

THM: Trihalomethanes. Any of several synthetic organic compounds formed when chlorine or bromine combine with organic materials in water.

TMA: Too many acronyms.

TMDL: Total maximum daily load; A quantitative assessment of water quality problems, contributing sources, and load reductions or control actions needed to restore and protect bodies of water.

Transpiration: The process in which plant tissues give off water vapor to the atmosphere as an essential physiological process.

Turbidity: Thick or opaque with matter in suspension; muddy water.

Ultraviolet light disinfection: A disinfection method for water that has received either secondary or tertiary treatment used as an alternative to chlorination.

VE Value Engineering

VOC: Volatile organic compound; a chemical compound that evaporates readily at room temperature and contains carbon.

Wastewater: Water that has been previously used by a municipality, industry or agriculture and has suffered a loss of quality as a result.

Water Cycle: The continuous process of surface water (puddles, lakes, oceans) evaporating from the sun's heat to become water vapor (gas) in the atmosphere. Water condenses into clouds and then falls back to earth as rain or snow (precipitation). Some precipitation soaks into the ground (percolation) to replenish groundwater supplies in underground aquifers.

Water rights: A legally protected right to take possession of water occurring in a natural waterway and to divert that water for beneficial use.

Water-use Efficiency: The water requirements of a particular device, fixture, appliance, process, piece of equipment, or activity.

Water year (USGS): The period between October 1st of one calendar year to September 30th of the following calendar year.

Watermaster: A court appointed person(s) that has specific responsibilities to carry out court decisions pertaining to a river system or watershed.

Water Reclamation: The treatment of wastewater to make it suitable for a beneficial reuse, such as landscape irrigation. Also called water recycling.

Watershed: The total land area that from which water drains or flows to a river, stream, lake or other body of water.

Water table: The top level of water stored underground.

WEF Water Environment Federation. Formerly – Water Pollution Control Federation (WPCF). International trade group advising members of sewage treatment techniques and their effect on the environment.

Weir box: A device to measure/control surface water flows in streams or between ponds.

Wellhead treatment: Water quality treatment of water being produced at the well site.

Wetland: Any area in which the water table stands near, at, or above the land surface for a portion of the year. Wetlands are characterized by plants adapted to wet soil conditions.

Xeriscape: Landscaping that requires minimal water.